
DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr R Barraclough
Mr A Watts
University of Brighton

Trustees

Mrs L Allison
Mr J Digby, Chair
Ms S Marooney
Mr P Noakes
Ms N Thomas (appointed 21 November 2017)
Mrs E Watkins

Company registered number

08895870

Company name

Durrington Multi Academy Trust

Principal and registered office

Durrington High School
The Boulevard
Worthing
West Sussex
BN13 1JX

Chief executive officer

Ms S Marooney

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Senior leadership team

Durrington High School:

Ms S Marooney, Headteacher DHS/CEO DMAT
Mrs L Allison, Deputy Headteacher (joined June 2018)
Mr S Allison, Deputy Headteacher
Miss J Squires, Deputy Headteacher
Mr C Woodcock, Deputy Headteacher
Mrs Bridgeman-Sweeney, Assistant Headteacher/Franklin
Mr S Down, Assistant Headteacher
Mr J Fuller, Assistant Headteacher/Hawking
Mr P Kelly, Assistant Headteacher/Shelley
Mr J Lamb, Assistant Headteacher/Da Vinci (left August 2018)
Mr N Roberts, Chief Financial Officer and Company Secretary

Laurels Primary School:

Ms C Bull, Headteacher
Ms A Shanahan, Deputy Headteacher
Mrs B Collins, Assistant Headteacher

Independent auditors

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds TSB
South Street
Worthing
West Sussex
BN11 3AW

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow
Nottingham
NG2 1BJ

DURRINGTON MULTI ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a Trustees' Report, and a directors' report under company law.

The Trust operates two schools on the south coast. The pupil capacity and number of students on roll as per the January 2018 census is detailed below.

Academy	Pupil Capacity	Number on Roll (January 2018)
Durrington High School (1)	1650	1659
Laurels Primary School (2)	210	185
Little Laurels Nursery (2)	64 places (am/pm)	48

1. The Trust is also one of the twenty two Research Schools nationally as part of Durrington High School, which is of great benefit to the Trust and other schools.
2. Legally joined the Trust from 01.01.2018; DMAT had been supporting since June 2017 at the request of the Regional Schools Commissioner (RSC).

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The primary governing documents of the Academy Trust are the memorandum and articles of association. The Trustees of Durrington Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as the Durrington Multi Academy Trust. Details of the Trustees who served during the year are included in the Reference and Administrative details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

Trustees' third party indemnity is covered by a policy of insurance with Zurich Municipal Ltd, procured under a government approved framework.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed in accordance with the Articles of Association.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are given an induction and have a clear role description. Part of the induction is a one hour meeting with the Chair and CEO who go through the main responsibilities and share the vision of the Trust. There is an annual training programme for Trustees which relates to legislation and the skills audit.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Organisational Structure

The Governing Body of each school devolves the responsibility of the day to day running of the schools to the respective Headteacher and the Senior Leadership Team. Their activities and decisions are monitored at each Full Governing Body meeting. The Board of Trustees meet at least termly and delegate the day to day running of the trust to the CEO who is accountable for schools performance and trust development. The Chief Financial Officer (CFO) prepares the financial data and meets with the CEO/Headteacher prior to the Finance Committee meetings, for LGB meetings and Trust meetings. The CFO reports on the actual income and expenditure figures for the year to date to the governors and the Trustees as well as the forecast to the end of the financial year for DHS, Laurels and the Trust.

The Headteachers report to their Governing Bodies and the Trustees on any curriculum changes and on targets and achievement. The Governing Bodies review the Admissions Policy, having regard to the School Admissions Code and the Academy Funding Agreement Annex B. Changes to the Admissions Policy are referred to the Governing Bodies and Trust for approval. A Pay Panel receives recommendations, monitors and reviews appraisal and professional development, recruitment, and other policies which deal with staffing issues across both schools.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Pay for leadership personnel is set by the Pay Committee. This includes all members of the Senior Leadership Team who have delegated authority for the day to day running of the school.

Trade Union Facility Time

FTE number of employees who were relevant Union officials:

Number of employees who were relevant union officials during the relevant period – 3

Full-time equivalent employee number – 3

Percentage of time spent on facility time:

Percentage of time	Number of employees
0%	2
1%-50%	1

Percentage of pay bill spent on facility time:

Total cost of facility time	2,376
Total of pay bill	7,461,095
% of the total pay bill spent on facility time	0.03%

Time spent on paid Trade Union activities as a percentage of total paid facility time hours:

100%

Related Parties and other Connected Charities and Organisations

Durrington High School (DHS) was designated a Research School following a stringent selection process. This involved setting up links with other schools and being part of the national research network. Funding began in Autumn 2017 and is received from the Sutton Trust and Education Endowment Foundation (EEF). We are linked through our initial teacher training activities with Brighton, Sussex and Chichester University. DHS is a lead partner in the School Centred Initial Teacher Training Centre (SCITT), which from 1 September 2018 will be based at Durrington and become part of DMAT, and we contribute to training and hosting placements. The Headteacher of DHS is a governor on the SCITT. We are supported in our work by the Durrington Fundraisers, a separate charitable group that raises funds for the benefit of pupils' learning and enrichment.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and Activities

Objects and Aims

- (a) To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the school offering a broad and balanced curriculum; ensuring every child receives their entitlement to high quality education and
- (b) To promote for the benefit of individuals living in West Sussex and the surrounding area who have need by reason of their age, infirmity, or disability, financial hardship or social and economic circumstances for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

Objectives, Strategies and Activities

The main objectives of the year are laid out in the School Improvement Plans for 2017/18 (available on application to the CEO).

Public Benefit

We confirm that the Governors and Trustees have paid due regard to the guidance on public benefit in deciding what activities the schools should undertake.

Strategic Report

Achievements and Performance

Durrington High School outcomes continue to be secure and impressive when measured against many national baselines. In Basics (students attaining both a grade 5+ in English and Maths GCSE) continue to be above national averages as does to the overall performance at 5+ and 7+ in maths GCSE. Overall English outcomes (combining the best from Language and Literature results for each student) are secure however we are still working hard and want to see a significant positive shift upwards in terms of Language results.

Outside of Maths and English a range of subjects secured excellent student outcomes including Science, Geography, PE, and Graphics, Art and Design, and Textiles GCSEs which all showed outstanding student achievement well above national averages at both 5+ and 7+ results. The disadvantaged (pupil premium) students in year 11 cohort again showed some positive outcomes with the gap between our disadvantaged students overall attainment and that of their non-disadvantaged peers closing. An increasing number of subjects have outcomes for disadvantaged students at national level.

Durrington High School and DMAT continue to be recognised for their work on leadership, and teaching and learning and student well-being (including attendance).

Headlines	DHS	National (state funded)	West Sussex
Progress 8 – overall	0.03	-0.02	0.05
Attainment 8 – overall	48.83	46.4	46.5
Basics 5+ English and Maths	47%	43.0%	43.4%
Basics 4+ English and Maths	70%	63.9%	~65.4%
(manually calculated from data tables)			
Attendance	95.1%	94.6% (2017)	95% (2017)

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Laurels Primary School/little Laurels Nursery

Laurels Primary School - Y6 September 17/August 18 – When the new AHT was appointed for September 2018 to teach Y6 between 0% and 11% were due to meet EXS across reading, writing and mathematics. Progress since then is detailed here:

Attainment	Reading	Writing	Maths	Reading, writing and Maths
	EXS	EXS	EXS	EXS
2018 KS2	65%	71%	65%	47%
2018 KS1	73%	60%	80%	
2018 EYFS GLD 77%				
2017 EYFS GLD 71%				

Therefore although currently below floor standard in KS2 overall we are confident that the school will be at least in line this year. The school is making rapid progress evidenced by EYFS being above national and West Sussex; KS1 being broadly in line. DMAT continues to give significant operational and strategic support in order to ensure success is sustained. Level of need is high in all aspects. DMAT CEO has enabled Laurels to be part of a SSIF1 bid to improve Mathematics. The new HT is up-skilling staff in teaching and learning, assessment and using data to implement effective interventions.

This is a school which has gone through significant change and turbulence over the last three years.

2015 – one of 28 schools in the area that were re-organised; school changed from an infant school to an all through primary school.

2016 – Previous Headteacher and previous Chair of Governors closed the private nursery on site and re-opened a nursery, Little Laurels. The two organisations became part of New Horizons Trust (NHT) with Laurels becoming an academy. The relationship between Laurels and NHT went very wrong, very quickly.

June 2017 – DMAT were contacted by the RSC to support the Laurels/Little Laurels. The Headteacher was leaving, as were 4 out of 7 class teachers required for September, with no replacements as yet. No financial information was seen by the Governing Body from February 2017 until DMAT was able to share financial information in January 2018. It was clear to the DMAT CEO and Finance team that standards were poor, site security had been overlooked by the local authority, previous Head and NHT, and that the budget was out of control. NHT/DMAT worked together with RSC/DfE support through the Autumn term. Since joining DMAT, progress has been rapid and the school although it continues to face many challenges is transforming, under the leadership of the new Headteacher and trust.

January 2018 - August 2018; Laurels/Little Laurels joins DMAT. Excellent new Headteacher is appointed, supporting the new staff DMAT had appointed. KS2 had been greatly overlooked, and basic systems were not in place. The Laurels Primary school was re-brokered into the Trust with a nursery. It became clear in the months after they legally transferred to the Trust in January 2018 that the nursery had not been set up with a sound business plan, was overstaffed and had significant spaces. In September 2018 DMAT consulted to close the nursery provision.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Key Performance Indicators

The Academy Trust kept within its annual budget approved by the Governors and Trustees. Durrington High School retained a contingency to continue to support its projected reduction in Numbers on Roll (NOR) for DHS over the next year. Previous to the area reorganisation in 2015, DHS PAN was 360. As a result of the expansion to include a year 7, DHS PAN reduced to 330. The majority of income is derived from GAG, a small income from lettings, and additional funding from the research school, SSIF bids.

The financial performance indicators for 2017/18 expenditure were:

School:	DHS	LAURELS
Budget Heading:	% of GAG	% of GAG
Teaching Staff	67.28%	55.69%
Support Staff	22.06%	37.16% (1)
Maintenance of Premises	5.00%	3.97%
Educational Supplies and Services	5.19%	2.85%
Staff Development, Recruitment & Employee expenses	0.47%	0.33%

1. Includes the nursery staff from the Little Laurels

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Financial and Risk Management Objectives and Policies

The majority of income for Durrington High School and The Laurels is obtained from the Education Services Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Other income is derived from school lettings, payments for school trips, and donations. Additionally, staff at Durrington High School undertaking outreach work supporting other schools, delivering training and applying for grants (e.g. SSIF2 and a Research School). The expenditure is used to support the key priorities of Durrington High School and The Laurels, as detailed in the School Improvement Plans, in providing education for pupils and students aged 4 to 16 and enhancing their opportunities. In all financial transactions best value was considered when making financial decisions.

The trust continues to invest in its facilities. At Durrington High School the roof, which is huge, is now 22 years old and significant remedial works began in 2017 in order to preserve its life expectancy of 50 years+. The next stage of this work was carried out during the summer holidays and 3 areas considered particularly at risk have been repaired. Further work is planned over the next 2 years. In addition, a window replacement project to replace deteriorating windows on both floors of the Humanities and English wing was completed this year. The need to drain-down and flush-through the entire school heating system to remove 'cold spot' areas, and to continue to roll-out a LED light replacement project throughout the whole school both remain on-going projects. These combined costs total £580,000.00. Secure perimeter fencing and a 'swipe' card entry system with CCTV has been installed at the Laurels over the summer to improve site security and to prevent unauthorised access, at a cost of £50,000. This was paid for from the Laurels reserves and has significantly improved site security.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors, Senior Leaders and Trustees have a number of ambitious plans over the coming years to further enhance the educational experience of pupils, as well as the projects already mentioned above.

For DHS:

- Re-development of our outdoor netball and tennis courts. As part of this we will also consider floodlights being added and an extension to the Sports Hall. This would significantly enhance the curriculum and enrichment experience for our students and would better accommodate pupils for the increased number of examinations. If we have floodlights we will be able to add this to our lettings provision. Minimum cost of the project £500k to possible cost of £1.2m. CIF and match funding schemes will continue to be explored.
- Governors had also been saving for an extension to our Learning Resources Area. A flexible learning centre with specialised IT facilities would offer a range of curriculum opportunities enabling two classes to be taught at once; part of this would include additional toilet provision and a reception. The toilets would be utilised by students and all of the extension would provide additional lettings opportunities. Cost in the region of £500-£800k.
- Multi Use Games Area (MUGA) requires resurfacing. We co-own this area with the Special school Oakgrove College co-located on our site. This will need resurfacing within 18 months. Costs being sought but anticipated to be in the region of £25-£30k. The toilet block at the MUGA will also need to be completely replaced so the combined project total will be in excess of £50k.
- Internal construction work to join the ground floors of the new-build section of the school to the existing school building were undertaken during the summer holidays 2018, creating a corridor between the two and assisting with the flow of movement for both students and staff, at a cost of £40k.

For Laurels:

- The Library was moved to a larger area, and we need to plan for improving IT provision across the school as this was another aspect which had been ignored. Drainage needs to be improved; regular flooding of the playground and outdoor space area occurs in periods of heavy rain and will need to be rectified for the pupils to gain full advantage of their outdoor activities.

The Governors are confident that the Academy Trust is in a sound financial position at the end of the financial year, much having been achieved.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Reserves Policy

The principles are that the trust aims to use its funding to the full benefit of our current students. At the same time the trust has always considered it prudent to maintain an appropriate level of financial reserves, essential in protecting the schools from financial risk. Reserves are also maintained for long term capital projects that enhance the educational provision. Our unrestricted funds (total funds less fixed asset and other restricted funds) held at 31 August 2018 was £1,892,573, and this is reasonable to meet the trust's objectives. Restricted funds held at 31 August 2018 (excluding restricted pension fund and restricted fixed asset fund) were £1,987,260.

Under Financial Reporting Standard No. 102 it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for our Support Staff to a specific restricted reserve. As at 31 August 2018, the deficit on this reserve amounted to £1,544,000. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit. The Governors of each school have assessed the major risks to which they are exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy trust, and its finances. The Governors are satisfied that systems and procedures are in place to mitigate the exposure to major risks.

Investment Policy

The Academy Trust aims to invest surplus cash funds to optimise returns, whilst ensuring that the investment instruments are ethical and such that there is low risk to the loss of these cash funds.

Principal Risks and Uncertainties

As both academy schools are funded directly by the Department for Education, funding streams are considered to be reasonably safe and secure. However there are two main risk areas, being changes in Government policy (for example, the reduction and then cancelling of the ESG) the impact of the revised funding formula and funding levels and the risk of falling numbers. There are still surplus secondary places in the Worthing area and this is likely to be the case for at least the next 3 years; the Laurels, due to being a new Primary, has spaces in KS2.

Fundraising

As part of its work within the community, the Academy Trust undertakes fundraising activities, for example through specific events such as quiz nights, non-uniform days etc. The Academy Trust raises funds in order to support its own students and also to make donations to local and national charities. The Academy Trust undertakes all such activities itself, with the help of its students, their families and volunteer supporters (i.e. The Durrington Fundraisers and Friends of The Laurels). In relation to fundraising, the Trustees confirm that:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the academy trust during the year.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Plans for Future Periods

The Trust will continue striving to improve the performance of its pupils at all levels and will continue its efforts to ensure all pupils are secure in going on successfully into further education, training or employment on leaving the secondary academy. We are keen to expand our MAT and are continuing to develop our partnerships with our local primary schools to work on innovative models of delivery and share our expertise and facilities.

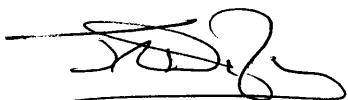
We have been invited to join other teaching school groups and will continue to develop this area of expertise as our capacity allows. Our success in Durrington High School becoming a Research School, plus the planned addition of the SCITT in September 2018 also at Durrington, gives us a unique opportunity to become even more successful in the future with the provision of teacher training.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 29 November 2018 and signed on the board's behalf by:



.....
Mr J Digby
Trustee

DURRINGTON MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Durrington Multi Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Durrington Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met three times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Digby	3	3
Ms S Marooney	3	3
Mr P Noakes	3	3
Mrs L Allison	3	3
Mrs N Thomas	2	2
Mrs E Watkins	1	2

Governance reviews:

The Board of Trustees maintains clear sight of the running of the school through their governance and clear reporting from the Local Governing Bodies (LGB) and CEO. In order to ensure good governance, the Trustees review their membership and the membership of the Governing Bodies, (including any specialities) at least once per year. The current specialisms within the Governors includes: Chair of the Finance and Audit Committee (Accountant and Auditor), School Improvement/Data (current educationalist), School Improvement/Research (Science and Higher Education specialist), Vulnerable and Disadvantaged Students (current educationalist), two Parent Governors and two Staff Governors. This enables the Trustees to maintain close working links with the schools and their staff, and to thoroughly review and question the formal termly reports (and other data) submitted by the Headteachers and other Senior Leaders to the Governors at regular intervals.

During the year, all Trustees and Governors have attended annual safeguarding training (held in the schools) and attended training sessions on reading and interpreting school data. The schools also have membership of the National Governors Association and all Trustees and Governors have on-line access to the training and information packages that the Association has available. This enables the Trustees to fulfil their duties effectively and remain abreast of the current regulations, requirements and responsibilities associated with their role.

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GOVERNANCE STATEMENT (continued)

For Durrington High School, the Finance and Audit Committee is a sub-committee of the LGB and reports to the Trustees. Its purpose is to oversee the finances within the framework set by the whole Governing Body and to receive reports, monitor and make recommendations to all Governors.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Noakes (Chair)	6	6
Dr. B Marsh	5	6
Mr R D Barraclough	3	6
Ms V Ludlow	3	6
Ms S Marooney, Headteacher	6	6

The Laurels Governing Body, since joining the Trust, has met four times between January-August and attendance at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mrs M Mugridge – Chair	4	4
Ms C Bull	4	4
Fr B Eadon	2	4
Miss C Hutt	4	4
Mrs A Crawford-Small	4	4
Mr G Lewendon	2	4

Review of Value for Money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Outcomes - Improving Educational Results:

Durrington High School outcomes continue to be secure when measured against many national baselines. In Basics (students attaining both a grade 5+ in English and Maths GCSE) continue to be above national averages as does to the overall performance at 5+ and 7+ in maths GCSE. Overall English outcomes (combining the best from Language and Literature results for each student) are secure however we are still working hard and want to see a significant positive shift upwards in terms of Language results.

Outside of Maths and English a range of subjects secured excellent student outcomes including Science, Geography, PE, and Graphics, Art and Design, and Textiles GCSEs which all showed outstanding student achievement well above national averages at both 5+ and 7+ results. The disadvantaged (pupil premium) students in year 11 cohort again showed some positive outcomes with the gap between our disadvantaged students overall attainment and that of their non-disadvantaged peers closing. An increasing number of subjects have outcomes for disadvantaged students at national level. Durrington High School and DMAT continue to be recognised for their work on leadership, and teaching and learning and student well-being (including attendance).

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GOVERNANCE STATEMENT (continued)

Financial Governance and Oversight:

Durrington High School had a very successful first year as a Research School (one of only twenty-two in the country); and were successful in being appointed to co-lead a large SSIF round 2 project. This will include working with East Sussex; DMAT is leading the West Sussex project with 5 secondary schools to promote KS4 attendance, with a focus on disadvantaged students. Commissioned also by West Sussex to support a large secondary school requiring improvement and requested by the DfE to re-broker a one-form entry primary school in to the Trust meant that the SLT needed to expand (also one DHT is only 0.6FTE) to ensure that there was no detrimental impact on school improvement and students. An additional DHT was appointed in May 2018. DMAT in order to draw-down MIDIF funding went through another rigorous, independent, financial and curriculum review. Advice was acted upon/is being acted upon. 2018-2019 sees the introduction of a new structure to support the on-going trust development. The school continues to pursue rigorous financial strategies aimed at ensuring that the best possible outcomes for students are achieved from the funds allocated. The school has a Financial Regulations Policy, which contains the strategies and methods by which financial governance and oversight is achieved. This includes: the Statement on the System of Internal Financial Controls; the Delegation of Financial Powers and Duties of the Governing Body; and the Scheme of Delegation.

Maximising Income Generation:

Additional income into the Trust has come from the National Research School Network (£60,000); income generated by the Research School (£40,000) and SSIF 2 Attendance project (£138,000). The schools also maximise resources through a lettings programme, whereby various facilities are rented or 'let' to outside clubs, bodies or agencies, in return for an agreed rental payment, which is approved annually by the Governing Body. In September 2015 Durrington High School took ownership of a new 3G sand-dressed astro-turf hockey pitch, situated on the campus grounds, as part of the Age of Transfer expansion of the school. Since then, the school has actively extended the use of this facility through letting it to community during evenings and weekends, including school holiday periods. This has resulted in the school achieving a significant increase in lettings income for 2017/18; from £35,000 in 2016/17 to £45,000. The Trust continues to support Worthing Hockey Club and others by providing reduced fees in order to support our community.

Maximising Cost Savings:

The Trust is relentless in its approach to reducing costs and identifying efficiencies. The Scheme of Delegation (Delegation of Financial Powers) details the requirements to obtain 3 quotes before awarding a contract or buying a service. This ensures that the schools gain the best possible information on a purchase before committing to it. Existing contracts are never automatically renewed at the renewal date; instead other alternative providers are approached for competitiveness which has resulted on more than one occasion in significant reductions being achieved. One example for this year is how the secondary school has made significant savings on the purchase of replacement computers and monitors for some of the IT suites, by thoroughly examining the market and reducing the initial quote of £18,000 down to £12,250 for identical equipment. Supply Teacher agency costs are kept to the lowest levels where possible. Bundles of days are purchased in advance to secure a lower daily rate of £150.00. Another example is the daily comparison by finance staff of the most cost-effective supplier for everyday items of stationery, including exercise books, which tend to be ordered in large numbers and which has saved considerable amounts of money over the year. Benchmarking and spending profiles are used to review spend and to assess likely savings; investment in facilities maintenance allows the school to keep buildings, fittings and furniture in the best possible condition. Investment in maintaining the school at the forefront of teaching technology has resulted in the school continually replacing and updating its IT provision, including classroom teaching aids, classroom hand-held devices and the school Intranet and website.

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Reviewing Controls and Managing Risk:

A comprehensive Risk Management Policy and Risk Register is maintained by the Trust and reviewed by the Trustees, Governors and senior leaders either termly, or whenever a new risk arises or an existing risk changes. Regular Management Accounts are produced and circulated to the Trustees, the Finance Committee of the Governing Bodies and the Senior Leadership Teams, and the CEO and Chief Financial Officer (CFO) meet at least weekly to review on-going financial affairs. Bank and credit card statements are reconciled by the Senior Finance Officer (SFO) and counter signed by the CEO (Accounting Officer). Payroll monthly reports are checked by the CFO and passed to the CEO for approval to be released, prior to being processed for payment by the school's pay agents. Internal school budget holders have monthly budget statements issued to them and have direct access to the SFO and/or CFO whenever they need to review any part of their budget.

Responsible Officer:

The Trust has appointed Carpenter Box LLP (Chartered Accountants) to the position of Responsible Officer, a position that produces a detailed report 3 times a year (one per term). The schools works very closely with them to ensure that all procedural responsibilities, including the timely submission of all necessary reports to the Education Funding Agency and the Department for Education are met and that the schools financial position is accurately reported to the Finance Committee of the Governing Body through the issue of regular Management Accounts.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Durrington Multi Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The school appoints third parties as Responsible Officers.

The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

On a termly basis, the appointee reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. RO reports were logged in the minutes of the finance and audit committee meetings. The schedule of work was completed as planned for the financial year.

Review of Effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

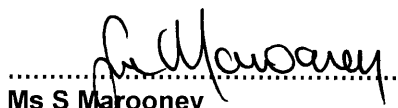
- the work of the Responsible Officer;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 29 November 2017 and signed on their behalf, by:



.....
Mr J Digby
Trustee



.....
Ms S Marooney
Accounting Officer

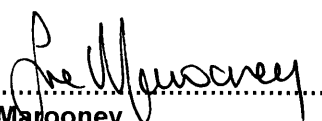
DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Durrington Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.


.....
Ms S Marooney
Accounting Officer

Date: 29 November 2018

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 29 November 2018 and signed on its behalf by:



.....
Mr J Digby
Trustee

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DURRINGTON MULTI ACADEMY TRUST**

OPINION

We have audited the financial statements of Durrington Multi Academy Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DURRINGTON MULTI ACADEMY TRUST**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DURRINGTON MULTI ACADEMY TRUST**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Hopper Williams & Bell Limited

David Brookes FCA (Senior statutory auditor)
for and on behalf of

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date: *11 December 2018*

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
DURRINGTON MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Durrington Multi Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Durrington Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Durrington Multi Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Durrington Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF DURRINGTON MULTI ACADEMY TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Durrington Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 2014, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
DURRINGTON MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**
(continued)

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

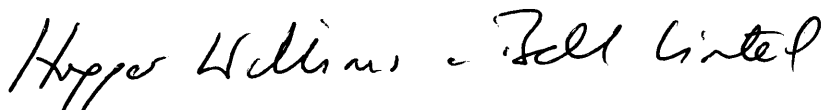
- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy Trust's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy Trust;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy Trust's framework of authorities;
- confirming whether any extra contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy Trust's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David Brookes FCA

Hopper Williams & Bell Limited

Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date: 11 December 2018

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations & capital grants:						
Transfer into the trust	2	108,765	(182,000)	1,752,040	1,678,805	-
Other donations and capital grants	2	29,988	-	68,286	98,274	69,701
Charitable activities	3	-	9,301,518	-	9,301,518	8,787,927
Other trading activities	4	34,467	-	-	34,467	43,899
Investments	5	20,298	-	-	20,298	22,601
TOTAL INCOME		193,518	9,119,518	1,820,326	11,133,362	8,924,128
EXPENDITURE ON:						
Charitable activities		-	9,512,549	635,263	10,147,812	8,699,125
TOTAL EXPENDITURE	6	-	9,512,549	635,263	10,147,812	8,699,125
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	193,518	(393,031)	1,185,063	985,550	225,003
		-	(13,868)	13,868	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		193,518	(406,899)	1,198,931	985,550	225,003
Actuarial gains/(losses) on defined benefit pension schemes	21	-	717,000	-	717,000	(136,000)
NET MOVEMENT IN FUNDS		193,518	310,101	1,198,931	1,702,550	89,003
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,699,055	133,159	21,935,872	23,768,086	23,679,083
TOTAL FUNDS CARRIED FORWARD		1,892,573	443,260	23,134,803	25,470,636	23,768,086

The notes on pages 26 to 50 form part of these financial statements.

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08895870

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	2017 £
FIXED ASSETS				
Tangible assets	13		23,134,803	21,935,872
CURRENT ASSETS				
Debtors	14	374,090		316,074
Investments	15	2,000,000		1,500,000
Cash at bank and in hand		2,243,491		2,203,574
		<u>4,617,581</u>		<u>4,019,648</u>
CREDITORS: amounts falling due within one year	16	(737,748)		(418,434)
NET CURRENT ASSETS			<u>3,879,833</u>	<u>3,601,214</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>27,014,636</u>	<u>25,537,086</u>
Defined benefit pension scheme liability	21	(1,544,000)		(1,769,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>25,470,636</u>	<u>23,768,086</u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	17	1,987,260		1,902,159
Restricted fixed asset funds	17	23,134,803		21,935,872
Restricted income funds excluding pension liability		25,122,063		23,838,031
Pension reserve		<u>(1,544,000)</u>		<u>(1,769,000)</u>
Total restricted income funds			<u>23,578,063</u>	<u>22,069,031</u>
Unrestricted income funds	17		1,892,573	1,699,055
TOTAL FUNDS			<u>25,470,636</u>	<u>23,768,086</u>

The financial statements on pages 23 to 50 were approved by the Trustees, and authorised for issue, on 29 November 2018 and are signed on their behalf, by:



.....
Mr J Digby
Trustee

The notes on pages 26 to 50 form part of these financial statements.

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>627,658</u>	<u>769,091</u>
Cash flows from investing activities:			
Sale/(purchase) of short term unlisted investments		(500,000)	(742,882)
Purchase of tangible fixed assets		<u>(87,741)</u>	<u>(79,205)</u>
Net cash used in investing activities		<u>(587,741)</u>	<u>(822,087)</u>
Change in cash and cash equivalents in the year		39,917	(52,996)
Cash and cash equivalents brought forward		<u>2,203,574</u>	<u>2,256,570</u>
Cash and cash equivalents carried forward		<u><u>2,243,491</u></u>	<u><u>2,203,574</u></u>

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Durrington Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

DURRINGTON MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

DURRINGTON MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land	-	Not provided
Leasehold property	-	Straight line basis over 50 years
Furniture and fixtures	-	20% on a straight line basis
Computer equipment	-	33% on a straight line basis

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Included within Long-term leasehold property are modular buildings which are depreciated over 3 years.

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1. ACCOUNTING POLICIES (continued)

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or other financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.14 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer into the trust	108,765	(182,000)	1,752,040	1,678,805	-
Donations	29,988	-	30,000	59,988	36,423
Grants	-	-	38,286	38,286	33,278
Subtotal	29,988	-	68,286	98,274	69,701
	138,753	(182,000)	1,820,326	1,777,079	69,701
Total 2017	36,423	-	33,278	69,701	

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FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,375,590	8,375,590	8,219,482
DfE/ESFA other grants	-	412,079	412,079	366,659
	-	8,787,669	8,787,669	8,586,141
Other government grants				
Local authority grants	-	113,823	113,823	106,070
Other government grants	-	230,432	230,432	-
	-	344,255	344,255	106,070
Other funding				
Trip income	-	87,990	87,990	63,261
Other income	-	81,604	81,604	32,455
	-	169,594	169,594	95,716
	-	9,301,518	9,301,518	8,787,927
<i>Total 2017</i>	-	8,787,927	8,787,927	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Lettings income	34,467	-	34,467	43,899
	<u>34,467</u>	<u>-</u>	<u>34,467</u>	<u>43,899</u>
<i>Total 2017</i>	<u>43,899</u>	<u>-</u>	<u>43,899</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Bank interest	20,298	-	20,298	22,601
	<u>20,298</u>	<u>-</u>	<u>20,298</u>	<u>22,601</u>
<i>Total 2017</i>	<u>22,601</u>	<u>-</u>	<u>22,601</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations:					
Direct costs	5,926,136	-	565,189	6,491,325	5,888,475
Support costs	1,534,959	943,706	1,177,822	3,656,487	2,810,650
	<u>7,461,095</u>	<u>943,706</u>	<u>1,743,011</u>	<u>10,147,812</u>	<u>8,699,125</u>
Total 2017	<u>6,611,498</u>	<u>653,153</u>	<u>1,434,474</u>	<u>8,699,125</u>	

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Technology costs	142,871	142,871	59,981
Premises costs	943,706	943,706	653,153
Governance costs	33,969	33,969	21,456
Other costs	365,719	365,719	210,386
Wages and salaries	1,077,362	1,077,362	879,310
National insurance	30,375	30,375	24,791
Pension cost	427,222	427,222	348,686
Depreciation	635,263	635,263	612,887
	<u>3,656,487</u>	<u>3,656,487</u>	<u>2,810,650</u>
Total 2017	<u>2,810,650</u>	<u>2,810,650</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	635,263	612,887
Auditors' remuneration - audit	7,250	7,250
Auditors' remuneration - other services	9,105	6,480
Operating lease rentals	<u>6,689</u>	<u>5,891</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,826,517	5,175,404
Social security costs	549,306	494,035
Operating costs of defined benefit pension schemes	1,083,426	942,059
	<u>7,459,249</u>	<u>6,611,498</u>
Staff restructuring costs	1,846	-
	<u><u>7,461,095</u></u>	<u><u>6,611,498</u></u>

Staff restructuring costs comprise:

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs is a single non-statutory/non-contractual severance payment of £1,846.

c. Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2018 No.	2017 No.
Teachers	110	100
Administration and support	100	77
Management	14	9
	<u>224</u>	<u>186</u>

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	2
In the band £90,001 - £100,000	3	0
In the band £150,001 - £160,000	1	1

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS (continued)

e. Key management personnel

The key management personnel of the academy trust comprise the senior management team as listed on page 2. The total amount of staff costs in respect of key management personnel was £1,178,123 (2017: £778,686).

10. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- Staff costs
- Premises costs
- Other costs

The Academy Trust charges for these services on the following basis:

Schools with more than 900 pupils = £160 per pupil

Schools with less than 900 pupils = £145 per pupil

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Durrington High School	268,800	-
The Laurels Primary School	20,304	-
Total	<u>289,104</u>	<u>-</u>

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £'000	2017 £'000
S Marooney (Headteacher DHS/CEO	Remuneration	155-150	155-150
DMAT and trustee)	Pension contributions paid	25-30	25-30
Mrs L Allison (Staff Trustee - from	Remuneration	15-20	-
June 2018)	Pension contributions paid	0-5	-

During the year, travel and subsistence expenses totalling £460 were reimbursed or paid directly to one trustee (2017: £260).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £292 (2017 - £292).

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2017	22,865,133	479,111	-	398,704	23,742,948
Additions	-	79,030	8,711	-	87,741
Transfer into the trust	1,746,453	-	-	-	1,746,453
At 31 August 2018	24,611,586	558,141	8,711	398,704	25,577,142
Depreciation					
At 1 September 2017	1,247,398	246,782	-	312,896	1,807,076
Charge for the year	472,633	103,325	872	58,433	635,263
At 31 August 2018	1,720,031	350,107	872	371,329	2,442,339
Net book value					
At 31 August 2018	22,891,555	208,034	7,839	27,375	23,134,803
At 31 August 2017	21,617,735	232,329	-	85,808	21,935,872

14. DEBTORS

	2018 £	2017 £
Trade debtors	40,869	21,645
Other debtors	183,074	141,907
Prepayments and accrued income	150,147	152,522
	<u>374,090</u>	<u>316,074</u>

15. CURRENT ASSET INVESTMENTS

	2018 £	2017 £
Short term deposits	<u>2,000,000</u>	<u>1,500,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	237,158	69,030
Other taxation and social security	138,915	128,982
Other creditors	284,485	106,156
Accruals and deferred income	77,190	114,266
	<u>737,748</u>	<u>418,434</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	56,319	73,086
Resources deferred during the year	13,651	56,319
Amounts released from previous years	(56,319)	(73,086)
Deferred income at 31 August 2018	<u>13,651</u>	<u>56,319</u>

Income was deferred at the year-end in respect of trip income and grant funding which relates to the forthcoming year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	269,547	84,753	-	-	-	354,300
Surplus on conversion	433,175	108,765	-	-	-	541,940
Surplus on conversion - Specific projects	996,333	-	-	-	-	996,333
	<u>1,699,055</u>	<u>193,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,892,573</u>
Restricted funds						
General Annual Grant (GAG)	1,902,159	8,375,590	(8,276,621)	(13,868)	-	1,987,260
Pupil Premium	-	388,782	(388,782)	-	-	-
Other ESFA grants	-	23,297	(23,297)	-	-	-
Local authority grants	-	113,823	(113,823)	-	-	-
Other government grants	-	230,432	(230,432)	-	-	-
Other educational activities	-	169,594	(169,594)	-	-	-
Pension reserve	(1,769,000)	(182,000)	(310,000)	-	717,000	(1,544,000)
	<u>133,159</u>	<u>9,119,518</u>	<u>(9,512,549)</u>	<u>(13,868)</u>	<u>717,000</u>	<u>443,260</u>
Restricted fixed asset funds						
Fixed asset fund	21,935,872	1,746,453	(635,263)	87,741	-	23,134,803
DfE/ESFA capital grant	-	38,286	-	(38,286)	-	-
Laurels on conversion	-	5,587	-	(5,587)	-	-
Other capital grants	-	30,000	-	(30,000)	-	-
	<u>21,935,872</u>	<u>1,820,326</u>	<u>(635,263)</u>	<u>13,868</u>	<u>-</u>	<u>23,134,803</u>
Total restricted funds	<u>22,069,031</u>	<u>10,939,844</u>	<u>(10,147,812)</u>	<u>-</u>	<u>717,000</u>	<u>23,578,063</u>
Total of funds	<u>23,768,086</u>	<u>11,133,362</u>	<u>(10,147,812)</u>	<u>-</u>	<u>717,000</u>	<u>25,470,636</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

The specific purposes for which the funds are to be applied are as follows:

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share, minimum funding guarantee, education services grant, insurance, rates, and pre-16 high need funding streams.

Pupil premium

This is funding received from the ESFA for specific purposes.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is money received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	<i>Total 2017 £</i>
Durrington High School	3,573,195	3,601,214
The Laurels Primary School	137,128	-
Central services	169,510	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	3,879,833	3,601,214
Restricted fixed asset fund	23,134,803	21,935,872
Pension reserve	(1,544,000)	(1,769,000)
	<hr/>	<hr/>
Total	25,470,636	23,768,086
	<hr/>	<hr/>

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	<i>Total 2017 £</i>
Durrington High School	5,446,999	1,480,473	122,327	1,771,764	8,821,563	8,699,125
The Laurels Primary School	479,137	54,486	7,701	149,662	690,986	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,926,136	1,534,959	130,028	1,921,426	9,512,549	8,699,125
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General funds	166,624	102,923	-	-	-	269,547
Surplus on conversion	433,175	-	-	-	-	433,175
Surplus on conversion - Specific projects	996,333	-	-	-	-	996,333
	<u>1,596,132</u>	<u>102,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,699,055</u>
Restricted funds						
General Annual Grant (GAG)	1,093,397	8,219,482	(7,364,793)	(45,927)	-	1,902,159
Pupil premium	-	366,659	(366,659)	-	-	-
Local authority grants	-	106,070	(106,070)	-	-	-
Other educational activities	-	95,716	(95,716)	-	-	-
Pension reserve	(1,480,000)	-	(153,000)	-	(136,000)	(1,769,000)
	<u>(386,603)</u>	<u>8,787,927</u>	<u>(8,086,238)</u>	<u>(45,927)</u>	<u>(136,000)</u>	<u>133,159</u>
Restricted fixed asset funds						
Fixed asset fund	22,469,554	-	(612,887)	79,205	-	21,935,872
DfE/ESFA capital grant	-	33,278	-	(33,278)	-	-
	<u>22,469,554</u>	<u>33,278</u>	<u>(612,887)</u>	<u>45,927</u>	<u>-</u>	<u>21,935,872</u>
Total restricted funds	<u>22,082,951</u>	<u>8,821,205</u>	<u>(8,699,125)</u>	<u>-</u>	<u>(136,000)</u>	<u>22,069,031</u>
Total of funds	<u>23,679,083</u>	<u>8,924,128</u>	<u>(8,699,125)</u>	<u>-</u>	<u>(136,000)</u>	<u>23,768,086</u>

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	166,624	102,923	-	-	-	269,547
Surplus on conversion	433,175	84,753	-	-	-	517,928
Surplus on conversion - Specific projects	996,333	108,765	-	-	-	1,105,098
	<u>1,596,132</u>	<u>296,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,892,573</u>
Restricted funds						
General Annual Grant (GAG)	1,093,397	16,595,072	(15,641,414)	(59,795)	-	1,987,260
Pupil premium	-	755,441	(755,441)	-	-	-
Other ESFA grants	-	23,297	(23,297)	-	-	-
Local authority grants	-	219,893	(219,893)	-	-	-
Other government grants	-	230,432	(230,432)	-	-	-
Other educational activities	-	265,310	(265,310)	-	-	-
Pension reserve	(1,480,000)	(182,000)	(463,000)	-	581,000	(1,544,000)
	<u>(386,603)</u>	<u>17,907,445</u>	<u>(17,598,787)</u>	<u>(59,795)</u>	<u>581,000</u>	<u>443,260</u>
Restricted fixed asset funds						
Fixed asset fund	22,469,554	1,746,453	(1,248,150)	166,946	-	23,134,803
DfE/ESFA capital grant	-	71,564	-	(71,564)	-	-
Laurels on conversion	-	5,587	-	(5,587)	-	-
Other capital grants	-	30,000	-	(30,000)	-	-
	<u>22,469,554</u>	<u>1,853,604</u>	<u>(1,248,150)</u>	<u>59,795</u>	<u>-</u>	<u>23,134,803</u>
	<u>22,082,951</u>	<u>19,761,049</u>	<u>(18,846,937)</u>	<u>-</u>	<u>581,000</u>	<u>23,578,063</u>
Total of funds	<u><u>23,679,083</u></u>	<u><u>20,057,490</u></u>	<u><u>(18,846,937)</u></u>	<u><u>-</u></u>	<u><u>581,000</u></u>	<u><u>25,470,636</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	23,134,803	23,134,803
Current assets	1,892,573	2,725,008	-	4,617,581
Creditors due within one year	-	(737,748)	-	(737,748)
Pension liability	-	(1,544,000)	-	(1,544,000)
	<u>1,892,573</u>	<u>443,260</u>	<u>23,134,803</u>	<u>25,470,636</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	21,935,872	21,935,872
Current assets	1,699,055	2,320,593	-	4,019,648
Creditors due within one year	-	(418,434)	-	(418,434)
Pension liability	-	(1,769,000)	-	(1,769,000)
	<u>1,699,055</u>	<u>133,159</u>	<u>21,935,872</u>	<u>23,768,086</u>

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19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	985,550	225,003
Adjustment for:		
Depreciation charges	635,263	612,887
Increase in debtors	(58,016)	(119,216)
Increase/(decrease) in creditors	319,314	(102,583)
Defined benefit pension scheme obligation inherited	182,000	-
Defined benefit pension scheme cost less contributions payable	310,000	153,000
Transfer of tangible fixed assets into the trust	(1,746,453)	-
Net cash provided by operating activities	627,658	769,091

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	466	139
Notice deposits (less than 3 months)	2,243,025	2,203,435
Total	2,243,491	2,203,574

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Sussex County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £95,839 were payable to the schemes at 31 August 2018 (2017 - £104,632) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £966,585 (2017 - £562,525).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

21. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £414,000 (2017 - £371,000), of which employer's contributions totalled £333,000 (2017 - £305,000) and employees' contributions totalled £81,000 (2017 - £66,000). The agreed contribution rates for future years are 15.1% for employers and between 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.00 %	3.10 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2018	2017
Retiring today		
Males	23.6	23.6
Females	25.0	25.0
Retiring in 20 years		
Males	26.0	26.0
Females	27.8	27.8

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate -0.5%	6,344,000	5,457,000
Salary increase rate +0.5%	5,765,000	4,974,000
Pension increase rate +0.5%	6,176,000	5,312,000

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21. PENSION COMMITMENTS (continued)

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	2,192,000	1,591,000
Bonds	1,421,000	1,132,000
Property	325,000	245,000
Cash and other liquid assets	121,000	92,000
Total market value of assets	4,059,000	3,060,000

The actual return on scheme assets was £237,000 (2017 - £294,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	<i>2017 £</i>
Current service cost	593,000	426,000
Net interest cost	50,000	32,000
Total	643,000	458,000

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	4,829,000	3,922,000
Transferred in on existing academies joining the trust	564,000	-
Current service cost	593,000	426,000
Interest cost	138,000	87,000
Employee contributions	81,000	66,000
Actuarial (gains)/losses	(568,000)	375,000
Benefits paid	(34,000)	(47,000)
Closing defined benefit obligation	5,603,000	4,829,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS (continued)

Movements in the fair value of the Academy Trust's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	3,060,000	2,442,000
Transferred in on existing academies joining the trust	382,000	-
Interest income	88,000	55,000
Actuarial gains	149,000	239,000
Employer contributions	333,000	305,000
Employee contributions	81,000	66,000
Benefits paid	(34,000)	(47,000)
Closing fair value of scheme assets	<u>4,059,000</u>	<u>3,060,000</u>

22. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	4,615	5,891
Between 1 and 5 years	731	3,417
Total	<u>5,346</u>	<u>9,308</u>

23. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

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NOTES TO THE FINANCIAL STATEMENTS
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24. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY

The Laurels Primary School

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
Land and buildings	1,746,453	-	1,746,453
Other net assets	114,352	-	114,352
Pension deficit	(182,000)	-	(182,000)
Total	1,678,805	-	1,678,805

25. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.