

Durrington Multi Academy Trust  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
Year ended 31 August 2019

Company Registration Number:  
08895870 (England and Wales)

# Durrington Multi Academy Trust

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# Durrington Multi Academy Trust

## Reference and Administrative Details

### Members:

R Barraclough

J Smith

A Watts

### Trustees:

L Allison

J Digby

S Marooney

P Noakes

N Thomas

E Watkins

A Watts (appointed 22 October 2019)

### Company Secretary

N Roberts

### Senior Management Team:

S Marooney                      Executive Headteacher DHS/CEO DMAT

C Woodcock                    Head of School, DHS

S Allison                        Head of School Improvement/Director of Research School

L Allison                        SCITT/Deputy Headteacher DHS

J Squires                        Deputy Headteacher DHS (0.6) (Retired August 2019 after 15 years as DHT)

N Roberts                        Chief Financial Officer DMAT

J Fuller                         Deputy Headteacher DHS

*(Durrington High School is one of 32 Research Schools nationally. The South Downs School Centre for Initial Teacher Training is located at DHS and both are part of DMAT)*

### Company Name

Durrington Multi Academy Trust

### Principal and Registered Office

The Boulevard

Worthing

West Sussex

BN13 1JX

### Company Registration Number

08895870 (England and Wales)

# Durrington Multi Academy Trust

## Reference and Administrative Details

### **Independent Auditor**

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

### **Bankers**

Lloyds Bank Plc

South Street

Worthing

West Sussex

BN11 3AW

### **Solicitors**

Browne Jacobson LLP

Mowbray House

Castle Meadow

Nottingham

NG2 1BJ

# Durrington Multi Academy Trust

## Trustees' Report

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 2019. 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 2019 census is detailed below:

Academy	Pupil Capacity	Number on Roll (Jan 19)
Durrington High School	1650	1635
Laurels Primary School <sup>1</sup>	210	179
Little Laurels Nursery	64 places (am/pm)	(Nursery closed October 2018)

1. Legally joined the Trust from 01.01.2018; DMAT had been supporting since June 2017 at the request of the Regional Schools Commissioner (RSC). The nursery was well below capacity, overstaffed, causing huge financial pressures on the Laurels. DMAT consulted on closure and the nursery closed October 2018.

### **Structure, Governance and Management**

#### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Durrington Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Durrington Multi Academy Trust.

Details of the trustees who served during the year and to the date these accounts are approved 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.

# Durrington Multi Academy Trust

## Trustees' Report

### **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.

### **Organisational Structure**

The Trust board devolves the responsibility of the day to day running of the schools to the respective Headteachers and the Senior Leadership Team. Their activities and decisions are monitored by the Board supported by the Academy Committees (LGB). The Board of Trustees meet at least six times per year and delegate the day to day running of the trust to the CEO who is accountable for school's 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 Academy Committee meetings and Trust meetings. The CFO reports on the actual income and expenditure figures for the year to date to the committee meetings 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 Academy Committees and the Trustees on any curriculum changes, student matters, on targets and achievement. The Academy Committees 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 Academy Committees and Trust for approval. A Pay Panel receives recommendations, monitors and reviews appraisal and professional development, recruitment, and retention.

### **Arrangements for setting pay and remuneration of key management personnel**

As a board and at Academy committee/Local Governing Body (LGB) level we continue to take (as we have always done) our responsibilities very seriously. Our remit is for our leaders to ensure:

- The very best education (provision, experience, safety/well-being and outcomes) for our children
- To retain and recruit the very best staff
- To be financially robust and secure

As a trust and academy committees we are in possibly a unique situation. We have an exceptional leader who is employed to do two roles; as Executive Headteacher and CEO. Appointed originally as HT of Durrington High School in 2003, we are delighted that along with other senior staff we have been able to retain their expertise and experience. At DHS we have three individuals who perform at headship level and recruited an exceptional head to lead the Laurels.

# Durrington Multi Academy Trust

## Trustees' Report

### **Arrangements for setting pay and remuneration of key management personnel (continued)**

#### Durrington High School – Executive Headteacher, Head of School, Head of School Improvement.

Accountabilities and outcomes:

- Extremely large coastal mixed comprehensive school 1650 pupils; 175 staff
- Strong and sustained educational outcomes; consistently above National Average (NA)
- Strong and sustained finances; one of the few schools who have never made redundancies due to financial health in over 15 years
- Research school (one of 32 nationally)

#### Durrington Multi Academy Trust CEO

Accountabilities and outcomes:

- Laurels Primary School; one form entry primary; 210 (178 NOR) and 24 staff (in very challenging circumstances DMAT agreed to be part of a re-brokerage and The Laurels legally joined DMAT January 2018). The school is transforming in an area with high levels of deprivation and need; outcomes, standards, and finance were all in need of improving. Significant progress made; excellent outcomes in 2019.
- School Centre for Initial Teacher Training (SCITT) – judged Outstanding by OFSTED in October 2018.

### *Rationale*

Every year an external consultant (headship level as a minimum) is appointed to advise the board. In addition, advice is sought from other sources and the trust's legal advisors. The panel consider:

- Securing best value and review the effectiveness of leadership; pupils' outcomes; progress; standards; well-being; behaviour; the financial health and the safety and security of the schools and trust.
- Recruitment/retention of key staff aside from expertise and impact, if they were to be replaced the costs of appointing similar calibre senior leaders. This is why retention of expert staff is an overt strategy and a significant factor in our on-going success. The basic cost of appointing new senior leaders through agencies would be high and recruitment is challenging. Basic agency costs £5k per appointment plus 20-25% of year 1 salary.

We continue to retain highly skilled, experienced leaders; in summary:

- Our students are successful
- Our new primary is improving in all aspects
- Our secondary school is oversubscribed
- Our staffing continues to be stronger than most in these challenging times
- Best value is always achieved; our finances continue to be healthy and strong.

Succession planning is always part of our school and trust planning; retention of excellent staff is key. As part of this and the retirement of three key leaders after many years at Durrington High and the trust; a leadership restructure has taken place. In addition to our Executive Headteacher/CEO we have promoted a DHT to Head of School at Durrington High School and a DHT who leads the Research School to Head of School Improvement.

# Durrington Multi Academy Trust

## Trustees' Report

### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

#### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

#### *Percentage of pay bill spent on facility time*

Total cost of facility time	£2,424
Total pay bill	£8,014,868
Percentage of the total pay bill spent on facility time	0.03%

#### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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### 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 was a lead partner in the School Centred Initial Teacher Training Centre (SCITT), which from 1 September 2018 became located at Durrington and became part of DMAT, and we contribute to training and hosting placements. The Executive 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.



# Durrington Multi Academy Trust

## Trustees' Report

### 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 our schools offering a broad and balanced curriculum; ensuring every child receives their entitlement to high quality education.
- 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 2018/19 (available on application to the CEO) and 2019/20.

#### **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**

Durrington High School secured its best ever set of results since the full introduction of the new GCSE syllabuses

##### *School-wide headlines*

Attainment 8 – a measure of the average total GCSE grade points scored by each student rose by 2 clear points/grades to a score of 50.8pts per student. This is a known score. The progress 8 (only validated in January 2020) is also looking to be the best we have ever achieved 0.23, 2018 0.03. In terms of other whole-school measures

- 55% of students achieved a grade 5+ in maths with 27% (our best ever result) achieving a grade 7+
- In combined English 65% achieved at least one grade 5 and 33% one grade 7 (again our best ever achievement)
- In double science 5+ achievement was again fantastic – the grade 5+ attainment being over 20% better than the 2018 National average.
- Overall 49.2% of all students achieved basics 5+ with over 70% achieving basics 4+
- Overall 27% of all grades awarded were at a grade 7 or higher with the number of grade 9 grades growing from 113 in 2018 to 127 in 2019 results.

# Durrington Multi Academy Trust

## Trustees' Report

### Achievements and Performance (continued)

#### *In terms of key groups of students*

- Our high starting point students who made up approximately 50% of the cohort their average attainment grew by an extra 4 grades per student compared to 2018 results. This is an all-time highest score for this group of students.
- Our pupil premium attainment – whilst not showing significant gains, does indicate this vulnerable group of C.55 students made better progress than ever before. The gap between Durrington Pupil Premium students and their non-pupil premium peers being reduced to an average of 5 grades (compared to 10+ for 2017 and 2018 outcomes). There is still more work to do with these students.
- Males and female students' attainment and Basics 5+ were broadly similar this year. Whilst this represents a significant gain for the male-dominated cohort it is more of a stable picture for females.

#### Specific subjects

- A number of subjects including English, Maths, Textiles, Graphics, Art, Dance, the Triple Sciences and Science (Triology, the double award) again did very well in terms of 5+ and 7+ outcomes.
- History, Geography and PE outcomes at 5+ were both steady and again above national averages, with very large cohorts of 100+.

In summary the outcomes of Durrington High School for 2019 are well above national averages in many areas and reflect good progress being made by the whole school and students individually within the wider cohort.

Headlines	DHS	National (state funded)	West Sussex
Progress 8 – overall	0.23*	0.00%	Not yet released
Attainment 8 – overall	50.59	46.50%	44.5
Basics 5+ English and Maths	49%	43%	41.80%
Basics 4+ English and Maths	70%	Not yet released	65.70%
Attendance	94.90%	94.50%	Not yet released

\* Using last year's tables

# Durrington Multi Academy Trust

## Trustees' Report

### Achievements and Performance (continued)

#### Laurels Primary School

The school has improved significantly in 2018/19 and outcomes have transformed due to the hard work and inspirational leadership of the Headteacher, support from DMAT and the excellent work undertaken by a team of dedicated teachers and associate staff:

#### Key Stage 2

- Attainment of Reading, Writing, Maths combined (RWM) is now 16% higher than national and 34% more than last year, with 81% achieving the expected standard at the end of KS2.
- The percentage achieving the higher standard in RWM combined has increased from 0% to 14.3%, 3.8% higher than the national average.
- 13% more pupils achieved the expected standard in reading than the national cohort.
- The progress score in writing significantly improved this year, rising by 5.7 to +0.5. 19% of the cohort had a progress score greater than or equal to 4.0
- The progress scores have significantly improved and are better than national with children making 1.9 points more progress in reading and 0.5 more in maths and GPS.
- The attainment gaps between FSM eligible children, SEN children, boys and all others are better than national.

Year 1 phonics screening was 93% compared to national average of 82% showing the Laurels 11% above national.

Expected standard	Laurels 2019	National 2019	Laurels 2018
Reading	86%	73%	65%
Writing	81%	79%	71%
Maths	86%	79%	65%
Reading, Writing, Maths combined	81%	65%	47%
Grammar, Punctuation and Spelling	81%	78%	77%
Science	81%	82%	82%

Higher attainers	Laurels 2019	National 2019	Laurels 2018
Reading	29%	27%	29%
Writing	19%	20%	12%
Maths	29%	27%	6%
RWM combined	14%	11%	0%
Grammar, Punctuation and Spelling	43%	36%	29%

Average point score	Laurels 2019	National 2019	Laurels 2018
Reading	107.5	104.4	103.1
Maths	105.2	105	100.9
Grammar, Punctuation and Spelling	106.1	106.2	103.9

# Durrington Multi Academy Trust

## Trustees' Report

### Achievements and Performance (continued)

*Progress score value added*

Scaled Score Value Added	Laurels 2019	National 2019	Laurels 2018
Reading	1.9	0.0	-3.9
Writing	0.5	0.0	-5.2
Maths	0.5	0.0	-5.3

### Key Performance Indicators

The majority of income is derived from General Annual Grant funding, a small income from lettings, and additional funding from the research school, SSIF bids and SCITT.

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. This had to be addressed by the Trust.

The financial performance indicators for 2018/19 expenditure were:

School:	DHS	LAURELS
Budget Heading:	% of GAG	% of GAG
Teaching Staff	66.14%	55.69%
Support Staff	24.55%	37.16%
Maintenance of Premises	4.50%	3.97%
Educational Supplies and Services	4.31%	2.85%
Staff Development, Recruitment & Employee expenses	0.50%	0.33%

### 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.

# Durrington Multi Academy Trust

## Trustees' Report

### Financial Review

The majority of income for Durrington High School and The Laurels is obtained from the Education & Skills 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 grants, Research School funding, SCITT income, 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 5 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 (2019) with the large South Easterly elevation being completed, work will continue in stages for another eighteen months. To date the roof works have cost £107,000 with the remaining works projected to cost another £97,000.

Many areas of flooring are ageing causing degradation in their anti-slip properties as well as areas of excessive wear leading to safety concerns. Two large areas have been replaced on the ground floor as well as the main central staircase this was at a total cost of £25,000. Over the next two years we will continue a programme to replace original and degraded areas of flooring to both classrooms and walkways costs will be approximately £25,000 - £30,000 per year.

Our music suite was in poor condition with outdated equipment. A large-scale internal project was undertaken over the summer to fully refurbish the area with the addition of a new Apple Mac ICT suite and complete renovation of the area including decoration, new doors, electrical works and flooring this was at a total cost of £29,000.

In Summer of 2019 a new peace garden was installed replacing an area of outdoor space originally installed in 1996 which over time had become poorly maintained and unused. The area was fully landscaped with a modern and practical approach, all planning and labour was completed by the DMAT site team with final costs being just under £3,000. Estimated costs for these works to be completed by a contractor would be in the region of £10,000. Durrington High school has in the region of 300 trees across the site, large scale remedial action was taken across the site in Easter 2019 at a cost of almost £4,000. In line with guidance and with the prevalent spread of Ash die back across the South this year we will have a digital map along with tree tagging completed across the site this will cost in the region of £3,500 and we expect annual maintenance to be around £1,500 going forward.

# Durrington Multi Academy Trust

## Trustees' Report

### **Financial Review (continued)**

Being on the South Coast Durrington High is vulnerable to high populations of seagulls. If not controlled these can become aggressive and their waste can cause damage to the artificial pitch as well as associated health hazards. To mitigate this, we run an annual nest and egg removal programme costing £7,000 as well as ad hoc bird deterrent installations, hawk kites and bird of prey visits these items have cost approximately £2,000 in 2018/19. In the Summer of 2019 we used £600 of paint to rejuvenate key areas, £500 to replace damaged doors and £1,000 for damaged electrics. These costs will now be fairly consistent across the key holiday periods.

Durrington High School has been constructed in phases with the original building dating back to 1950, a major extension 1995 and finally in 2015 the addition of a Pavilion, sand-dressed astro turf and three-story teaching block. Maintenance needs are increasing in the older areas with ongoing investment plans to update structural elements such as windows and doors, heating and lighting as well as cosmetic maintenance such as decoration. Planning has started (see below) to consider how we update, improve/replace our heating and lighting systems; which are inefficient, breaking down and not environmentally friendly. It is our intention to work towards becoming carbon neutral.

Significant improvements have been made to the Laurels site. Historically spending had been focused in the wrong areas/items, or had been neglected and the site required significant works to get it to the level it is now. A lot of this work has been done at a significantly reduced cost due to planning, project management and labour being provided by the DMAT teams. There were also aspects of the 2019 OFSTED that needed addressing. In Easter 2019 the DMAT team completed the removal of a large wooden pagoda in the early years area. It was not fit for purpose and negatively impacted the environment and worked against curriculum needs. This was replaced with an open play area with handmade role-play boat and accessible storage. In the May half term, the DMAT team transformed a disused and overgrown area of land in to an outdoor classroom. This was fully landscaped with a contemporary feel. Many materials were recycled with hand carvings and bespoke features created by the team. During the Summer break DMAT project managed the removal of a disused nursery building which was taking up valuable space, the ground was made good and re-instated as a play area by the site team. A new perimeter security fence was installed again with installation managed by DMAT. A second project was to build a raised deck sand pit and handmade mud kitchen, both were constructed to a bespoke design to specifically suite the school and maximise useable space. The projects above cost £15,000, estimated costs if these had been completed by external contractors would be in the region of £27,500 or more saving the Laurels in the region of at least £12,000.

Significant investment has been required in curriculum and reading programmes and the relocation of the library and ICT suite into the centre of the school, previously a dance studio installed by the previous head which was not fit for purpose. This work was undertaken by DMAT teams and has transformed this area which has been a key factor in supporting improved educational outcomes.

# Durrington Multi Academy Trust

## Trustees' Report

### **Financial Review (continued)**

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; the school has been saving and carefully preparing over recent years to replace and improve sporting facilities; to up-grade/replace lighting and heating systems; to improve and up-grade the PE changing areas and toilets; this again will be a very large project. These plans are ambitious and much needed. These are the key reasons we have worked to build up significant reserves.

- Re-development of our outdoor netball and tennis courts to include LED floodlighting and the addition of a new sports hall connected to our existing building. This would significantly enhance the curriculum and enrichment experience for our students and would better accommodate pupils for the increased number of examinations. When the school expanded in 2015 from 1,440 – 1,650 a new outdoor facility (astro-turf) was added but no new indoor PE facilities. With a focus on physical and mental well-being nationally, as well as PE and sport opportunities, this will be a much-needed additional facility. Community use and the lettings potential would be increased with the addition of these facilities. The project has been through formal feasibility study and we are currently in the planning and tender process with an expectation building work will begin in early March 2020. The total cost of this project is estimated to be £1,750,000.
- Carbon reduction and Energy use are a priority for the School, being acutely aware of our social responsibility to the environment but also the direct benefit of redistributing income from energy savings. A full energy survey, feasibility study and tender process has been completed by the Carbon Trust. Anticipated savings of £500,000 over ten years and annual Carbon reduction of 127 tonnes have led to this project being a focus area for the School. We expect to embark on full LED lighting replacement, heating and hot water system upgrades and repairs alongside new or upgraded control software by Autumn 2020 Estimated costs for this work are £310,000-£400,000.
- Some of our most heavily used toilets as well as our PE changing rooms date back to 1996 with no significant investment since. These are now at the end of their life being in poor condition and un-serviceable. In 2015 a new block was added to the school to cater for increased numbers with the addition of year 7. Toilets in this block were installed with poor quality materials, cubicle panels and wash units now need replacement. A complete refit of these toilets and re-design of the changing rooms is planned for summer 2020, early indications suggest costs will be in the region £350,000.

# Durrington Multi Academy Trust

## Trustees' Report

### Financial Review (continued)

- Our Assembly hall which is also our primary dinning space and drama production area is aged being originally constructed in 1950 with limited substantial investment since. The area is also under spaced only being able to accommodate one year at a time making whole school communication time consuming and limiting our ability to host productions to show case the talents of our students. In February 2020 we will begin feasibility with the eventual aim of extending the building to the Easterly elevation in tandem with a complete refit and moderation of the existing element of the structure. This work would make significant improvements to practical elements of the school day from assemblies, break times as well as offering additional indoor recreational space during exams. We would aim to install bleacher seating to accommodate 400 people allowing us to host and show case the talents of our children to the wider community and hosting large scale conferences for our research school. Early indications would estimate a cost in the region of £2,000,000. It is expected that we would apply for external funding to support this project.

For Laurels:

- Despite significant improvements to peripheral areas the main school, sport and recreational areas undertaken during this year (including the reinstating of the library and provision of computer and other IT equipment in it; the landscaping of a poorly-drained outdoor area returning it to a usable space for the children; the removal of the old demountable unit that had housed the nursery and grassing-over the bare ground that it had stood on) areas still require improvement to support curriculum PE, provide a useable environment and help instil active healthy living from an early age. Over the coming year we will be working on plans to redevelop the core outside areas including surfaces and equipment. Funding will be sought to support these works with estimated costs of £80,000 - £90,000.

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



# Durrington Multi Academy Trust

## Trustees' Report

### **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 and enabling plans to be realised. 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 2019 were £1,978,170 (2018: £1,892,573), and this is reasonable to meet the trust's objectives. Restricted funds held at 31 August 2019 (excluding restricted pension fund and restricted fixed asset fund) were £2,264,522 (2018: £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 2019, the deficit on this reserve amounted to £2,431,000. 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 Academy Committees 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 Academy Committees are satisfied that systems and procedures are in place to mitigate the exposure to major risks.

### **Investment Policy**

The Multi 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 only had its first Y6 in 2018; historically there is still the culture of leaving the school at the end of KS1. We expect this to reduce as the school continues to improve. However, low numbers are a risk to our financial sustainability as there remains surplus spaces in the area. If the new school 'Bluebell', part of the New Horizons were to be allowed to open it would create a negative impact on all local schools as there is no need for additional places.

# Durrington Multi Academy Trust

## Trustees' Report

### Fundraising

As part of its work within the community, the Multi Academy Trust undertakes fundraising activities, for example through specific events such as quiz nights, non-uniform days etc. The Trust raises funds in order to support its own students and also to make donations to local and national charities. The 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). We confirm that when fundraising:

- 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.

### 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 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.

### Funds Held as Custodian Trustee on Behalf of Others

None.

### 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 10 December 2019 and signed on the board's behalf by:



**J Digby**  
Trustee

# Durrington Multi Academy Trust

## 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 CEO, 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 Statement of Trustees' Responsibilities. The board of trustees has formally met six 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	5	6
Mr P Noakes	6	6
Mrs L Allison	6	6
Mrs N Thomas	5	6
Mrs E Watkins	4	6

### Governance reviews:

The Board of Trustees maintains clear sight of the running of the school through their governance and clear reporting from the Academy Committees and CEO. In order to ensure good governance, the Trustees review their membership and the membership of the Academy Committee, (including any specialities) at least once per year. The current specialisms within the governance includes: Chair of the Finance and Audit Committee (Accountant and Auditor), School Improvement/Data (current educationalists), School Improvement/Research (Science and Higher Education specialist), Vulnerable and Disadvantaged Students/Safeguarding, two Parent Committee members and Staff Committee members. Our structures enable 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.

# Durrington Multi Academy Trust

## Governance Statement

### Governance (continued)

During the year, all Trustees and Academy Committee members have attended annual safeguarding training (held in the schools) and attended training sessions on reading and interpreting school data and exclusions training. The schools also have membership of the National Governors Association and the Key, and all Trustees and Academy Committee members 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.

For Durrington High School, the Finance and Audit Committee is a sub-committee of the Academy Committee and reports to the Trustees. Its purpose is to oversee the finances within the framework set by the whole Academy Committee and to receive reports, monitor and make recommendations to all Academy Committee members. During the year 2018/19 the committee met a total of six times. Attendance at these meetings was as follows:

<b>Finance and Audit Committee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr P Noakes – Chair	6	6
Dr B Marsh	5	6
Mr R Barraclough	3	6
Ms V Ludlow	3	6
Ms S Marooney, CEO	6	6

### Review of Value for Money

As accounting officer the CEO 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:*

Both schools are well above the national average and West Sussex for outcomes and progress. Both are coastal schools where standards are not replicated nationally and locally with other coastal schools. It is essential that children in schools like those within DMAT have access to the highest quality staff (teaching and non-teaching), the highest quality teaching and learning, and the best resources the schools and trust can provide for them. Recruiting and retaining these high-quality staff is of paramount importance to the board and our academy committees. The level of need in our area, already high, continues to rise, affecting not just disadvantaged students, and children's services in West Sussex continue to lack in many areas (OFSTED 2019 Inadequate) so our schools must go over and above in all that we do. Our staff provide excellent value for money.

# Durrington Multi Academy Trust

## Governance Statement

### **Review of Value for Money (continued)**

#### *Financial Governance and Oversight:*

Durrington High School has had a very successful year as a Research School (one of only thirty-two in the country); and were successful in being appointed to co-lead a large SSIF round 2 project. This includes 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. 2018/19 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 (£266,730). 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. However, we also give community groups reduced fees to support participation. In 2018/19 our lettings income reduced from £45,000 in 2017/18 to £33,000 in 2018/19. Once we further improve our facilities we expect this to increase.

#### *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. For example, this year the IT Department saved £5,000-£10,000 on developing the Laurels and the SCITT websites in-house rather than paying for an external contractor to do it. Additionally, across both schools, we saved over £6,000 on the purchase of IT equipment by negotiating further savings on a chosen quote. Finally, we anticipate saving a further £4,000 on broadband provision when we come to renew the contract to provide this service. 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 as opposed to between £170-185. 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.

# Durrington Multi Academy Trust

## Governance Statement

### **Review of Value for Money (continued)**

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. We also recruit and then retrain and develop skilled IT and site team staff so that we can do a lot of IT and site maintenance in-house, at a high standard whilst making significant savings.

### *Reviewing Controls and Managing Risk:*

A comprehensive Risk Management Policy and Risk Register is maintained by the Trust and reviewed by the Trustees, Academy committees 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 Academy committees and the Senior Leadership Teams, and the CEO, Chief Financial Officer (CFO) and School Business Manager (SBM) 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/SBM 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 SBM and/or CFO whenever they need to review any part of their budget. The CEO reviews all expenditure and will question expenditure and value and regularly negotiates with companies to ensure best value.

### *Responsible Officer:*

The Trust has appointed Carpenter Box LLP (Chartered Accountants) to the position of Responsible Officer, a position that produces a detailed report three 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 on-going 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 period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

# Durrington Multi Academy Trust

## Governance Statement

### **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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **The Risk and Control Framework**

The academy trust'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 general purposes 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 appoints third parties as internal auditor. The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy Trust'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. 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.

# Durrington Multi Academy Trust

## Governance Statement

### Review of Effectiveness

As accounting officer the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

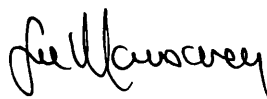
- the work of the internal auditor
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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 10 December 2019 and signed on its behalf, by:



**J Digby**  
Trustee



**S Marooney**  
Accounting Officer



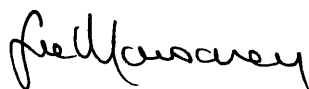
# Durrington Multi Academy Trust

## Statement of 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 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 2018.

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.



**S Marooney**

Accounting Officer

10 December 2019

# Durrington Multi Academy Trust

## Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published 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:

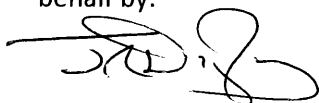
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 10 December 2019 and signed on its behalf by:



**J Digby**  
Trustee

# Durrington Multi Academy Trust

## Independent Auditor's 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 charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

### 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company'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

## Independent Auditor's 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 auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. 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; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

# Durrington Multi Academy Trust

## Independent Auditor's Report on the Financial Statements to the Members of Durrington Multi Academy Trust

### Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 to 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

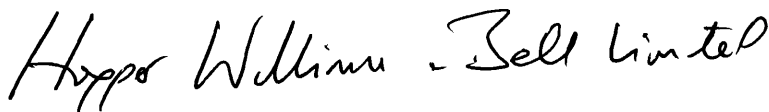
### Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of Independent Auditors.

### Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



D Brookes FCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date .....13 December 2015

# Durrington Multi Academy Trust

## Independent Reporting Accountant's 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 1 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 period 1 September 2018 to 31 August 2019 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 the governing body 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 the 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 28 March 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

# Durrington Multi Academy Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Durrington Multi Academy Trust and the Education & Skills Funding Agency

### Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

The work undertaken to draw to our conclusion includes:

- 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.

# Durrington Multi Academy Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Durrington Multi Academy Trust and the Education & Skills Funding Agency

### 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 period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



D Brookes FCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date ..... 13 December 2019



# Durrington Multi Academy Trust

## Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2018/19 Total £	2017/18 Total £
<b>Income and endowments from:</b>							
Donations and capital grants	2	30,270	-	-	130,717	<b>160,987</b>	98,274
Transfer of existing academy joining the trust		-	-	-	-	-	1,678,805
Charitable activities:							
Funding for the academy trust's educational operations	3	-	9,777,560	-	-	<b>9,777,560</b>	9,301,518
Other trading activities	4	32,380	-	-	-	<b>32,380</b>	34,467
Investments	5	22,947	-	-	-	<b>22,947</b>	20,298
<b>Total</b>		<b>85,597</b>	<b>9,777,560</b>	<b>-</b>	<b>130,717</b>	<b>9,993,874</b>	<b>11,133,362</b>
<b>Expenditure on:</b>							
Charitable activities:							
Academy trust educational operations	7	-	9,500,298	284,000	527,520	<b>10,311,818</b>	10,147,812
<b>Net income / (expenditure)</b>		<b>85,597</b>	<b>277,262</b>	<b>(284,000)</b>	<b>(396,803)</b>	<b>(317,944)</b>	<b>985,550</b>
<b>Other recognised gains / (losses):</b>							
Actuarial (losses) / gains on defined benefit pension schemes	23	-	-	(603,000)	-	<b>(603,000)</b>	717,000
<b>Net movement in funds</b>		<b>85,597</b>	<b>277,262</b>	<b>(887,000)</b>	<b>(396,803)</b>	<b>(920,944)</b>	<b>1,702,550</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		1,892,573	1,987,260	(1,544,000)	23,134,803	<b>25,470,636</b>	23,768,086
<b>Total funds carried forward</b>		<b>1,978,170</b>	<b>2,264,522</b>	<b>(2,431,000)</b>	<b>22,738,000</b>	<b>24,549,692</b>	<b>25,470,636</b>

The notes on pages 34 to 55 form part of these financial statements.

# Durrington Multi Academy Trust

## Balance Sheet as at 31 August 2019

Company Number 08895870

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	12		22,678,864		23,134,803
<b>Current assets</b>					
Debtors	13	545,913		374,090	
Investments	14	2,000,000		2,000,000	
Cash at bank and in hand		2,559,815		2,243,491	
		<u>5,105,728</u>		<u>4,617,581</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	<u>(803,900)</u>		<u>(737,748)</u>	
<b>Net current assets</b>			<u>4,301,828</u>		<u>3,879,833</u>
<b>Total assets less current liabilities</b>			<u>26,980,692</u>		<u>27,014,636</u>
Defined benefit pension scheme liability	23		(2,431,000)		(1,544,000)
<b>Total net assets</b>			<u>24,549,692</u>		<u>25,470,636</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	16	22,738,000		23,134,803	
Restricted income fund	16	2,264,522		1,987,260	
Pension reserve	16	<u>(2,431,000)</u>		<u>(1,544,000)</u>	
<b>Total restricted funds</b>			<u>22,571,522</u>		<u>23,578,063</u>
<b>Unrestricted income funds</b>	16		1,978,170		1,892,573
<b>Total funds</b>			<u>24,549,692</u>		<u>25,470,636</u>

The financial statements on pages 31 to 55 were approved by the trustees and authorised for issue on 10 December 2019 and are signed on their behalf by:

  
J Digby  
Trustee

The notes on pages 34 to 55 form part of these financial statements.

# Durrington Multi Academy Trust

## Statement of Cash Flows for the year ended 31 August 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	19	<b>387,905</b>	627,658
<b>Cash flows from investing activities</b>	20	<b>(71,581)</b>	(587,741)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>316,324</b>	39,917
<b>Cash and cash equivalents at 1 September 2018</b>		<b>2,243,491</b>	2,203,574
<b>Cash and cash equivalents at 31 August 2019</b>	21	<b>2,559,815</b>	2,243,491

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 1 Accounting policies

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

#### Basis of Preparation

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### 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 company 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.

#### Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### Income (continued)

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

### 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.

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets 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 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.

Depreciation is provided on all tangible fixed assets other than land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold Land and Buildings	2% straight line on buildings; not provided on land
Furniture and Equipment	20% straight line
Computer Equipment	33% straight line
Motor Vehicles	20% straight line

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

Where the academy trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the academy trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the academy trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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.

### Liabilities

Liabilities 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.

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

### **Leased Assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

### **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 13. Prepayments are not financial instruments.

#### *Current asset investments*

Current asset investments comprise fixed term bank deposits. These investments are classified as a basic financial instrument and are measured at amortised cost.

#### *Cash at bank*

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

#### *Financial liabilities*

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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 another financial instrument.

### **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 part 11, chapter 3 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.

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 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.

### 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

## Notes to the Financial Statements for the Year Ended 31 August 2019

### Critical accounting estimates and areas of judgement

Estimates and judgements 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 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 2019. 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.

The assumptions used are disclosed in note 23.

### Critical areas of judgement

There are no other critical areas of judgement.

## 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Capital grants	-	130,717	130,717	38,286
Other donations	30,270	-	30,270	59,988
	30,270	130,717	160,987	98,274
<i>Total 2018</i>	<i>29,988</i>	<i>68,286</i>	<i>98,274</i>	

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	8,560,072	<b>8,560,072</b>	8,375,590
Pupil premium	-	375,279	<b>375,279</b>	388,782
Other DfE Group grants	-	151,412	<b>151,412</b>	23,297
	-	9,086,763	<b>9,086,763</b>	8,787,669
<b>Other Government grants</b>				
Local authority grants	-	64,879	<b>64,879</b>	113,823
Special educational projects	-	324,288	<b>324,288</b>	230,432
	-	389,167	<b>389,167</b>	344,255
<b>Other income from the academy trust's educational operations</b>				
Trip income	-	112,531	<b>112,531</b>	87,990
Other income	-	189,099	<b>189,099</b>	81,604
	-	301,630	<b>301,630</b>	169,594
	-	9,777,560	<b>9,777,560</b>	9,301,518
<i>Total 2018</i>	-	9,301,518	<b>9,301,518</b>	

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	32,380	-	<b>32,380</b>	34,467
<i>Total 2018</i>	<b>34,467</b>	-	<b>34,467</b>	

### 5 Investment income

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	22,947	-	<b>22,947</b>	20,298
<i>Total 2018</i>	<b>20,298</b>	-	<b>20,298</b>	

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 6 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other	2018/19	2017/18
	£	£	£	£	£
Academy's educational operations:					
Direct costs	6,448,637	-	741,817	7,190,454	6,491,325
Allocated support costs	1,566,231	742,114	813,019	3,121,364	3,656,487
	<u>8,014,868</u>	<u>742,114</u>	<u>1,554,836</u>	<u>10,311,818</u>	<u>10,147,812</u>
<i>Total 2018</i>	<i>7,461,095</i>	<i>943,706</i>	<i>1,743,011</i>	<i>10,147,812</i>	

Net income/(expenditure) for the period includes:

	2018/19	2017/18
	£	£
Operating lease rentals	5,857	6,689
Depreciation	527,520	635,263
Fees payable to auditor for:		
Audit	7,395	7,250
Other services	<u>9,815</u>	<u>9,105</u>

### 7 Charitable activities

	2018/19	2017/18
	Total	Total
	£	£
Direct costs	7,190,454	6,491,325
Support costs	<u>3,121,364</u>	<u>3,656,487</u>
	<u>10,311,818</u>	<u>10,147,812</u>

Analysis of support costs:

	Educational operations	2018/19	2017/18
		Total	Total
	£	£	£
Support staff costs	1,566,231	1,566,231	1,534,959
Depreciation	527,520	527,520	635,263
Technology costs	80,584	80,584	142,871
Premises costs	742,114	742,114	943,706
Other support costs	176,752	176,752	365,719
Governance costs	28,163	28,163	33,969
Total support costs	<u>3,121,364</u>	<u>3,121,364</u>	<u>3,656,487</u>
<i>Total 2018</i>	<i>3,656,487</i>	<i>3,656,487</i>	

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 8 Staff

#### a) Staff costs

Staff costs during the period were:

	2018/19	2017/18
	£	£
Wages and salaries	5,925,734	5,621,126
Social security costs	568,269	549,306
Pension costs	1,254,204	1,083,426
	<b>7,748,207</b>	<b>7,253,858</b>
Agency staff costs	254,211	205,391
Staff restructuring costs	12,450	1,846
	<b>8,014,868</b>	<b>7,461,095</b>

Staff restructuring costs comprise:

Redundancy payments	12,450	-
Severance payments	-	1,846
	<b>12,450</b>	<b>1,846</b>

#### b) Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2018/19	2017/18
	No.	No.
Teachers	115	110
Administration and support	87	100
Management	9	14
	<b>211</b>	<b>224</b>

#### c) Higher paid staff

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

	2018/19	2017/18
	No.	No.
£60,000 - £70,000	5	3
£70,001 - £80,000	1	1
£90,001 - £100,000	2	3
£150,001 - £160,000	1	1

#### d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £779,292 (2018: £717,685).

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 9 Related Party Transactions – Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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 staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

		2018/19 £000	2017/18 £000
S Marooney	Remuneration	150-155	155-160
(Headteacher DHS, CEO DMAT, and trustee)	Employer's pension contributions paid	25-30	25-30
L Allison	Remuneration	70-75	15-20
(Staff trustee from June 2018)	Employer's pension contributions paid	10-15	0-5

During the period ended 31 August 2019, travel and subsistence expenses totalling £336 were reimbursed or paid directly to one trustee (2018: £460 to one trustee).

### 10 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 £5m on any one claim and the cost for the period ended 31 August 2019 was £292 (2018: £292). The cost of this insurance is included in the total insurance cost.

### 11 Central Services

The academy trust has provided the following central services to its academies during the year:

- Human resources
- 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:

	2018/19 £	2017/18 £
Durrington High School	268,820	268,800
The Laurels Primary School	30,456	20,304
	<u>299,276</u>	<u>289,104</u>

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 12 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 September 2018	24,611,586	558,141	398,704	8,711	25,577,142
Acquisitions	11,520	13,500	46,561	-	71,581
At 31 August 2019	<u>24,623,106</u>	<u>571,641</u>	<u>445,265</u>	<u>8,711</u>	<u>25,648,723</u>
<b>Depreciation</b>					
At 1 September 2018	1,720,031	350,107	371,329	872	2,442,339
Charged in year	405,493	90,605	29,680	1,742	527,520
At 31 August 2019	<u>2,125,524</u>	<u>440,712</u>	<u>401,009</u>	<u>2,614</u>	<u>2,969,859</u>
<b>Net book values</b>					
At 31 August 2018	22,891,555	208,034	27,375	7,839	23,134,803
At 31 August 2019	<u>22,497,582</u>	<u>130,929</u>	<u>44,256</u>	<u>6,097</u>	<u>22,678,864</u>

### 13 Debtors

	2018/19 £	2017/18 £
Trade debtors	4,120	40,869
VAT recoverable	62,816	72,172
Other debtors	165,303	110,902
Prepayments and accrued income	313,674	150,147
	<u>545,913</u>	<u>374,090</u>

### 14 Current asset investments

	2018/19 £	2017/18 £
Bank deposits	<u>2,000,000</u>	<u>2,000,000</u>

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 15 Creditors: amounts falling due within one year

	2018/19	2017/18
	£	£
Trade creditors	169,108	237,158
Other taxation and social security	139,680	138,915
Other creditors falling due within one year	323,213	284,485
Accruals and deferred income	171,899	77,190
	<b>803,900</b>	<b>737,748</b>

	2018/19	2017/18
	£	£
Deferred income at 1 September 2018	13,651	56,319
Released from previous years	(13,651)	(56,319)
Resources deferred in the year	116,177	13,651
Deferred income at 31 August 2019	<b>116,177</b>	<b>13,651</b>

At the balance sheet date the academy trust was holding funds received in advance trip income and grant funding which relates to the forthcoming year.

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 16 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2019 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,987,260	8,560,072	(8,282,810)	-	-	<b>2,264,522</b>
Pupil Premium	-	375,279	(375,279)	-	-	-
Other DfE/ESFA grants	-	151,412	(151,412)	-	-	-
Other government grants	-	389,167	(389,167)	-	-	-
Other educational activities	-	301,630	(301,630)	-	-	-
	<b>1,987,260</b>	<b>9,777,560</b>	<b>(9,500,298)</b>	<b>-</b>	<b>-</b>	<b>2,264,522</b>
Pension reserve	(1,544,000)	-	(284,000)	-	(603,000)	<b>(2,431,000)</b>
	<b>443,260</b>	<b>9,777,560</b>	<b>(9,784,298)</b>	<b>-</b>	<b>(603,000)</b>	<b>(166,478)</b>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	23,134,803	-	(527,520)	71,581	-	<b>22,678,864</b>
DfE Group capital grants (DFC)	-	130,717	-	(71,581)	-	<b>59,136</b>
	<b>23,134,803</b>	<b>130,717</b>	<b>(527,520)</b>	<b>-</b>	<b>-</b>	<b>22,738,000</b>
<b>Total restricted funds</b>	<b>23,578,063</b>	<b>9,908,277</b>	<b>(10,311,818)</b>	<b>-</b>	<b>(603,000)</b>	<b>22,571,522</b>
<b>Total unrestricted funds</b>	<b>1,892,573</b>	<b>85,597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,978,170</b>
<b>Total funds</b>	<b>25,470,636</b>	<b>9,993,874</b>	<b>(10,311,818)</b>	<b>-</b>	<b>(603,000)</b>	<b>24,549,692</b>



# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 16 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 needs funding streams.

#### **Other DfE/ESFA grants**

This is funding received from the ESFA for specific purposes, for example pupil premium funding.

#### **Local authority grants**

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

#### **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 trust 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 funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 16 Funds (continued)

#### Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2018/19	2017/18
	£	£
Durrington High School	4,029,252	3,573,195
The Laurels Primary School	71,422	137,128
Central services	142,018	169,510
Total before fixed assets and pension reserve	4,242,692	3,879,833
Restricted fixed asset fund	22,738,000	23,134,803
Pension reserve	(2,431,000)	(1,544,000)
Total	24,549,692	25,470,636

#### Total cost analysis by academy

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 (excl. dep- reciation) £	2018/19 Total £	2017/18 Total £
Durrington High School	5,752,641	1,472,729	636,840	876,235	8,738,445	8,821,563
The Laurels Primary School	695,996	93,502	104,977	151,378	1,045,853	690,986
	6,448,637	1,566,231	741,817	1,027,613	9,784,298	9,512,549

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 16 Funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2018 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,902,159	8,375,590	(8,276,621)	(13,868)	-	<b>1,987,260</b>
Pupil Premium	-	388,782	(388,782)	-	-	-
Other DfE/ESFA grants	-	23,297	(23,297)	-	-	-
Other government grants	-	344,255	(344,255)	-	-	-
Other educational activities	-	169,594	(169,594)	-	-	-
	<b>1,902,159</b>	<b>9,301,518</b>	<b>(9,202,549)</b>	<b>(13,868)</b>	<b>-</b>	<b>1,987,260</b>
Pension reserve	(1,769,000)	(182,000)	(310,000)	-	717,000	<b>(1,544,000)</b>
	<b>133,159</b>	<b>9,119,518</b>	<b>(9,512,549)</b>	<b>(13,868)</b>	<b>717,000</b>	<b>443,260</b>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	21,935,872	1,746,453	(635,263)	87,741	-	<b>23,134,803</b>
DfE Group capital grants (DFC)	-	38,286	-	(38,286)	-	-
Other capital grants	-	30,000	-	(30,000)	-	-
Balance on transfer	-	5,587	-	(5,587)	-	-
	<b>21,935,872</b>	<b>1,820,326</b>	<b>(635,263)</b>	<b>13,868</b>	<b>-</b>	<b>23,134,803</b>
<b>Total restricted funds</b>	<b>22,069,031</b>	<b>10,939,844</b>	<b>(10,147,812)</b>	<b>-</b>	<b>717,000</b>	<b>23,578,063</b>
<b>Total unrestricted funds</b>	<b>1,699,055</b>	<b>193,518</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,892,573</b>
<b>Total funds</b>	<b>23,768,086</b>	<b>11,133,362</b>	<b>(10,147,812)</b>	<b>-</b>	<b>717,000</b>	<b>25,470,636</b>

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 17 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	22,678,864	22,678,864
Current assets	1,978,170	3,068,422	-	59,136	5,105,728
Current liabilities	-	(803,900)	-	-	(803,900)
Pension scheme liability	-	-	(2,431,000)	-	(2,431,000)
<b>Total net assets</b>	<b>1,978,170</b>	<b>2,264,522</b>	<b>(2,431,000)</b>	<b>22,738,000</b>	<b>24,549,692</b>

Comparative information in respect of the preceding period is as follows:

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	23,134,803	23,134,803
Current assets	1,892,573	2,725,008	-	-	4,617,581
Current liabilities	-	(737,748)	-	-	(737,748)
Pension scheme liability	-	-	(1,544,000)	-	(1,544,000)
<b>Total net assets</b>	<b>1,892,573</b>	<b>1,987,260</b>	<b>(1,544,000)</b>	<b>23,134,803</b>	<b>25,470,636</b>

### 18 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018/19	2017/18
	£	£
Amounts due within one year	4,659	4,615
Amounts due between one and five years	1,649	731
	<b>6,308</b>	<b>5,346</b>

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018/19	2017/18
	£	£
Net (expenditure) / income for the reporting period	(317,944)	985,550
Adjusted for:		
Depreciation	527,520	635,263
Defined benefit pension scheme cost less contributions payable	238,000	260,000
Defined benefit pension scheme finance cost	46,000	50,000
Defined benefit pension scheme obligation inherited	-	182,000
Transfer of tangible fixed assets into the trust	-	(1,746,453)
Increase in debtors	(171,823)	(58,016)
Increase in creditors	66,152	319,314
Net cash provided by Operating Activities	<u>387,905</u>	<u>627,658</u>

### 20 Cash flows from investing activities

	2018/19	2017/18
	£	£
Decrease / (increase) in current asset investments	-	(500,000)
Purchase of tangible fixed assets	(71,581)	(87,741)
Net cash used in investing activities	<u>(71,581)</u>	<u>(587,741)</u>

### 21 Analysis of cash and cash equivalents

	2018/19	2017/18
	£	£
Cash in hand and at bank	<u>2,559,815</u>	<u>2,243,491</u>

### 22 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.

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 23 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme 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 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 £114,289 were payable to the schemes at 31 August 2019 (2018: £112,689) and are included within creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

#### The Teachers' Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

#### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website at:  
<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 23 Pension and similar obligations (continued)

#### Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, has rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,026,655 (2018: £966,585).

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was as follows:

	2019	2018
	£	£
Employer's contributions	303,000	333,000
Employees' contributions	75,000	81,000
	<b>378,000</b>	<b>414,000</b>

The agreed contribution rates for future years are 19.8% for employers and 5.5% to 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 23 Pension and similar obligations (continued)

#### Principal actuarial assumptions

	2019	2018
Rate of increase in salaries	3.0%	3.0%
Rate of increase for pensions in payment/inflation	2.3%	2.3%
Discount rate for scheme liabilities	1.9%	2.8%

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

	2019	2018
<i>Retiring today</i>		
Males	21.8	23.6
Females	23.6	25.0
<i>Retiring in 20 years</i>		
Males	23.0	26.0
Females	25.5	27.8

#### Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2019	2018
	£	£
Discount rate -0.5%	936,000	741,000
Salary increase rate +0.5%	144,000	162,000
Pension increase rate +0.5%	792,000	573,000

The academy trust's share of the assets in the scheme were:

	2019	2018
	£	£
Equities	2,384,000	2,192,000
Property	381,000	325,000
Bonds	1,764,000	1,421,000
Cash	238,000	121,000
Total market value of assets	4,767,000	4,059,000

The actual return on scheme assets was £358,000 (2018: £237,000).



# Durrington Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 23 Pension and similar obligations (continued)

#### Amount recognised in the Statement of Financial Activities

	2018/19	2017/18
	£	£
Current service cost	475,000	593,000
Past service cost	66,000	-
Interest income	(118,000)	(88,000)
Interest cost	164,000	138,000
Total amount recognised in the SOFA	<u>587,000</u>	<u>643,000</u>

The past service cost represents an actuarial estimate of the additional underpin liability arising as a result of the McCloud/Sargeant judgement in December 2018 and the Supreme Court's decision not to allow the Government an appeal on 27 June 2019.

Changes in the present value of defined benefit obligations were as follows:

	2018/19	2017/18
	£	£
<b>At 1 September</b>	<b>5,603,000</b>	<b>4,829,000</b>
Transferred in on existing academies joining the academy trust	-	564,000
Current service cost	475,000	593,000
Interest cost	164,000	138,000
Employee contributions	75,000	81,000
Actuarial loss / (gain)	843,000	(568,000)
Benefits paid	(28,000)	(34,000)
Past service cost	66,000	-
<b>At 31 August</b>	<b><u>7,198,000</u></b>	<b><u>5,603,000</u></b>

Changes in the fair value of academy trust's share of scheme assets:

	2018/19	2017/18
	£	£
<b>At 1 September</b>	<b>4,059,000</b>	<b>3,060,000</b>
Transferred in on existing academies joining the academy trust	-	382,000
Interest income	118,000	88,000
Actuarial gain	240,000	149,000
Employer contributions	303,000	333,000
Employee contributions	75,000	81,000
Benefits paid	(28,000)	(34,000)
<b>At 31 August</b>	<b><u>4,767,000</u></b>	<b><u>4,059,000</u></b>

### 24 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 9.