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DRB Ignite Multi Academy Trust

(A Company Limited by Guarantee)

**Annual Report and Financial Statement
Period 1 October 2015 to 31 August 2016**

Company Number : 09284055



DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Report and Financial Statements
Period ended 31 August 2016

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Reference and Administrative Details

Members	Richard Martin Therese Connell Kevin McCabe Cheryl Millard Chris Whittingham Sue Egersdorff David Bagley Robert Bowater Helen Morrison	
Directors	Richard Martin Therese Connell Kevin McCabe Paul Taylor Cheryl Millard Viv Randall Chris Whittingham Sue Egersdorff Andrew James David Bagley Robert Bowater Helen Morrison	Appointed 1 st October 2015 Appointed 14 th January 2015 Appointed 14 th January 2015 Appointed 16 th March 2016 Appointed 6 th July 2015 Appointed 6 th July 2015 Appointed 6 th July 2015 Appointed 14 th January 2015 Academies Lead Appointed 16 th March 2016 From Inception From Inception From Inception (Resigned 29 th November 2016)
Company secretary	David Bagley	
Senior management team		
• Headteacher (Jervoise)	Kevin McCabe	
• Headteacher (Wychall)	Therese Connell	
• Director	David Bagley	
• Director	Robert Bowater	
• Director	Sue Egersdorff	
Company name	DRB Ignite Multi Academy Trust	
Principal and registered office	5 The Courtyard Buntsford Gate Business Park Buntsford Hill Bromsgrove B60 3DJ	
Company registration number	09284055	
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR	
Bankers	Solicitors	
Lloyds Bank	Anthony Collins Solicitors LLP	
114-116 Colmore Row	134 Edmund Street	
Birmingham	Birmingham	
B3 3DP	B3 2ES	

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Directors' report



The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 October 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The Multi Academy operates four primary schools serving catchment areas in Birmingham and Dudley Local Authorities. The schools are:

- Jervoise Primary School
- Wychall Primary School
- Bromley Pensnett Primary School
- Beechwood C of E Primary School

A further 4 schools have joined the Trust after the year end i.e. The Oval Primary from the 1st September 2016, Princethorpe Infants and Audley Primary from the 1st October 2016 and Hob Green Primary School from 1st November, 2016.

They have a combined pupil capacity of 1,320 and had a roll of 1,190 in the school census on October 2016.

Conversion to academy trust

The company was incorporated at Companies House on 28th October 2014. The signed commercial transfer agreements were signed three weeks before the dates of conversion with academy conversion dates presented in the following table.

Name of school	Conversion date to academy status
Jervoise Primary School	1 st October 2015
Wychall Primary School	1 st October 2015
Bromley Pensnett Primary School	1 st October 2015
Beechwood C of E Primary School	1 st July 2016
Princethorpe Infant School	1st October 2016
Audley Primary School	1 st October 2016
The Oval Primary School	1 st September 2016
Hob Green Primary School	1 st November 2016

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Directors' report (continued)

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 Multi Academy Trust.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Directors' indemnities

The Multi Academy Trust purchases indemnity insurance to cover the liability of the Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Multi Academy Trust; provided that any insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or breach of duty or which was committed by the Directors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Directors in their capacity as Directors of the Multi Academy Trust. The insurance provides cover up to £5,000,000 on any one claim.

Method of Recruitment and Appointment of Non Executive Directors

Non executive directors are appointed by the MAT Board with the intention that the Board should comprise of a effective combination of experience, skills and knowledge to fully meet the accountability requirements outlined in the Academies Financial Handbook.

Individuals appointed as non-executive directors must demonstrate:

- a set of competencies required by the MAT Board and which brings additionality
- a commitment to maintaining a rigorous strategic oversight of MAT statutory, mandatory and regulatory responsibilities
- a willingness to get to know schools well

Executive directors are employees of the Multi Academy Trust.

The selection procedures for directors includes local advertising, national advertising, website and other social media technologies. An application and interview process is used involving a sub-set of Directors and final selection is approved/ratified by the full MAT Board.

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Directors' report (continued)

Policies and Procedures for the Induction and Development of Directors

Newly appointed Directors attend induction sessions for new appointees, meet regularly with the MAT Academies Lead and in addition make visits to MAT schools. Further training is provided on the MAT's Accountability Framework and Pupil Progress Tracking System

One Director is appointed annually as Safeguarding Lead, attending all relevant external training and disseminating information to fellow Directors following as appropriate.

The Academies Lead has responsibility for the Workforce Development Strategy for the MAT Board. She ensures that Directors are provided with opportunities to receive professional development in accordance with their role and the priorities outlined in the MAT's Strategic Business Plan.

The MAT Board regularly consider the regularity, propriety and value for money of all aspects of Trust business, including the actions and behaviours of the leadership team itself. The Board recognises the enormous importance of having Directors with the right knowledge and skills to carry out their role effectively.

A particular focus over the year has been in relation to financial probity. The Academies Financial Handbook has been used to ensure all Directors have a clear understanding of the statutory and contractual requirements around financial accountability and the principles of good financial management.

A full audit of Director skills was conducted in January 2016, resulting in the appointment of two new directors Paul Taylor and Andrew James to address the shortage of business, marketing and HR expertise.

Organisational structure

The MAT Board has established 2 main committees, appointing directors to serve on each committee annually. The committees for the period of the Report are:

- Finance, HR and Asset Management
- School Standards and Safeguarding

A third Committee for Appeals, Capability/Disciplinary is formed from MAT Board Directors when required and subject to availability.

The MAT also has an Achievement Support Group structure to oversee the performance of sponsored schools and schools facing particular challenges for whatever reason.

All formal committees have written terms of reference which define the purpose and structure of the committee, clearly outlining its objectives, scope and accountability. For example, the terms of reference for the Finance, HR and Asset Management Committee, include the preparation, monitoring and management of the Multi Academy's budget and implementation of the Multi Academy's financial management policies and associated processes, including risk assessment/mitigation.

The MAT Board has also appointed a Responsible Officer and this role has been fully implemented in accordance with the Multi Academy Trust's Financial Procedures.

Decisions relating to the regularity, propriety and value for money of all aspects of Trust business are reserved for the MAT Board. The associated levels of delegated responsibility to Headteachers and Local Governing Bodies are outlined in the MAT Scheme of Delegation.

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Directors' report (continued)

Arrangements for setting pay and remuneration of key management personnel

Over the reporting year the MAT has doubled in size and is currently revisiting and monitoring all policies, particularly on related party transactions and executive salaries and expenses. This is in line with the Academies Financial Handbook and associated correspondence from both Peter Lauener (EFA Chief Executive) and Lord Nash (Parliamentary Under Secretary of State for the School System) in October 2016.

As part of this process, full use will be made of the DfE information for academy trusts on financial benchmarking to ensure the Board is using all available resource efficiently and comparing executive salaries to those paid in similar trusts as a basis for transparency, scrutiny and challenge.

Connected Organisations, Including Related Party Relationships

The Multi Academy Trust engages the services of drb Schools and Academies and drb Ignite Limited on an annual basis to deliver key structural support for the MAT. This work is undertaken based on a clearly defined Service Level Agreement and the services are provided "at cost".

There are no other related parties which either control or significantly influence the decisions and operations of the DRB Ignite Multi Academy Trust.

Objectives and activities

One key aim

The one aim of the DRB Ignite Multi Academy Trust is to ensure that all pupils achieve the highest standard of educational outcomes regardless of circumstance or background by:

- developing clear objectives focused on improving teaching
- embedding shared values for educational achievement
- knowing all schools well.

Objectives, strategies and activities

To support this aim, the main objectives, strategies and activities of the MAT over the reporting year are set out in the MAT's Annual Business Plan.

The main objectives for the period October 2015 to August 2016 are summarised as follows:

1. Pupil progress and achievement

to continually improve children's progress and standards by openly sharing knowledge and learning between schools and building the capacity of staff.

2. MAT operations and governance

to continue to develop accountability framework and associated systems, structures and processes to support our one aim and manage any risks safely.

3. Financial stewardship

to improve and refine financial systems to make sure they are fit for purpose, efficient and keep the MAT and its schools safe whilst providing value for money.

Directors' report (continued)

4. School leadership and professional development

to further develop an outward facing leadership and professional development strategy. The aim being to make the MAT an exciting place to work, attracting high calibre staff and recognising and rewarding outstanding teaching.

5. Growth for sustainability

to actively seek out schools that share the MAT's vision and values to join Trust. Also to be clear about the MAT's purpose in all marketing materials and advocacy.

Significant strategies and activities linked to achievement of the Trust's Business Plan priorities have been:

- expansion from four to eight schools by 1st November, 2016 to secure greater financial viability
- appointment of external school improvement adviser to challenge and support schools
- common approach to preparation and submission of CIF applications leading to 3 successful bids with the combined financial value of £378,223.
- the development of a robust MAT Accountability Framework
- the development of a MAT CPD Programme linked to school improvement priorities
- introduction of a MAT Newly Qualified Teacher Programme
- Implementation of common Pupil Progress Tracking System (SPTO) centrally and within each MAT school

Public Benefit

The Multi Academy Trust is mindful of the guidance on Public Benefit issues by the Charity Commission, and the requirements to comply with current legalisation. The Academy will continue to provide education to children that:

- Is balanced and broadly based;
- Provides the spiritual, moral, cultural, mental and physical development of students at the Academy;
- Prepares students for the opportunities, responsibilities and experiences of later life;
- Promotes, sustains and increase individual and collective knowledge and understanding of study, skills and expertise

Equal Opportunities

DRB Ignite Multi Academy Trust is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

STRATEGIC REPORT

Achievements and Performance

Highlights for the year:

- Introduction of SPTO Pupil Progress Tracking System across MAT
- Development of cross MAT Moderation Programme for KS1 and KS2
- Development of NQT Induction Programme

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Directors' report (continued)

Critical improvement priorities

- % of children achieving age related expectations at KS1 and KS2
- consistency of teaching quality within and across schools
- % of children entering KS1 'school ready'

Overall School Performance Table

Name of school	Ofsted category overall judgement	Date last inspection	Date of last performance review	Latest performance review position
Jervoise Primary School	Good	February 2014	Planned 1/11/16 2/11/16	➡
Wychall Primary School	Good	June 2013	12/10/16 13/10/16	➡
Bromley Pensnett Primary School	Requires improvement	January 2014	Ongoing from 8/6/16	⬆
Beechwood C of E Primary School	Special Measures	HMI visit September 2015	18/10/16 19/10/16	⬆
Princethorpe Infant School	Good	November 2013	TBC	➡
Audley Primary School	Good	December 2014	TBC	➡
The Oval Primary School	Good	June 2013	21/3/17 22/3/17	➡
Hob Green Primary School	Good	September 2013	Ongoing from 8/9/16	➡

Key Performance Indicators

KEY STAGE TWO DATA	National	Jervoise	Wychall	Beechwood	Bromley	Oval	Hob Green	Audley
Reading	66%	61%	65%	45%	81%	49%	38%	47%
SPaG	72%	61%	77%	45%	76%	61%	44%	68%
Maths	70%	68%	45%	35%	67%	53%	59%	60%
Writing	74%	84%	67%	48%	67%	66%	74%	77%
Combined	53%	48%	33%	23%	57%	37%	29%	37%

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Directors' report (continued)

- Direct costs as a percentage of total costs were 61.7%
- Support costs as a percentage of total costs were 36.6%
- Total payroll costs as a percentage of recurring income were 67.6%

Going concern

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

FINANCIAL REVIEW

The main sources of income for the Multi Academy Trust are grants from the Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Multi Academy Trust also receives grants for capital expenditure from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Multi Academy Trust's accounting policies.

During the period ended 31 August 2016, total expenditure of £5,643,883 was contributed towards by recurrent grant funding from the DfE together with other incoming resources. The surplus of income over expenditure for the period was £14,574,273.

At 31 August 2016 the net book value of fixed assets was £16,244,734 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Future sustainability

After making a range of financial forecasts and projections, the MAT Board has confidence that the Multi Academy Trust has adequate resources to continue in operational existence for the foreseeable future. The growth from four to eight schools in this reporting period has helped significantly to secure financial viability.

The MAT adopts 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.

Reserves Policy

The MAT Board continually monitor the reserves of the Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the MAT Board's general policy to continue to build reserves which will be used for future school improvement and related educational purposes.

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Directors' report (continued)

The Multi Academy had total funds at 31 August 2016 of £12,643,273 which included £199,048 restricted funds not available for general purposes of the Multi Academy Trust, £1,004,160 of free reserves defined as unrestricted funds available for general purposes and £16,318,065 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £1,203,208.

In addition, the deficit on the restricted pension fund of £4,878,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The trustees regularly review the level of reserves and aim to maintain them at a minimum of 1 month of salary expenditure. Budgeted expenditure on employees for 2016/17 is £11,782,000 and hence the minimum target is £982,000. Unrestricted reserves at 31 August 2016 therefore represent just over 1 month.

Investment Policy

The Multi Academy Trust Board is responsible for setting investment policy. This day to day responsibility for managing this function was delegated to the Chief Financial Officer. In the current economic climate of reducing income, with low interest rates, and in view of the capital projects undertaken by the Academy, funds have been held in the Academy current account.

Principal Risks and Uncertainties

The DRB Ignite MAT Board has assessed the major risks to which the Multi Academy Trust is exposed, in particular those relating to the operational areas of the site and facilities, of teaching and the finances of the academies within the Trust. The Board has implemented a system to assess risks that the school faces, especially in the operational areas which includes teaching, health and safety and in relation to the control of finance. The Governors have introduced systems, including operational procedures and internal financial controls, in order to minimise risk.

The principal financial risk facing the Multi Academy Trust is that funding is dependent upon pupil numbers. Pupil numbers are currently healthy, but Governors are aware that, in the long term, it may face falling rolls due to low local birth rate or be affected by the reputation of the Academies in the Trust. The Board do not currently consider these to be a high risk.

The Trust's future funding is also dependent upon Government Policy for Education. The impact on the DRB Ignite MAT of any review of Schools' Funding will be assessed accordingly.

The Local Government Pension Scheme, a defined benefit scheme, is currently in deficit. The on-going contributions required, determined following a recent actuarial valuation, are considered to be manageable and within the Trust's budget.

Auditor

In so far as the Directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the Directors 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.

Directors report, incorporating a strategic report, was approved by order of MAT Board, as the company directors, on 22 December 2016 and signed on the board's behalf by:



Richard Martin - Chair of MAT

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Governance Statement

Scope of Responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that the MAT has a robust and transparent accountability framework, effective risk management processes and appropriate financial controls. However, such an accountability framework 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 MAT Board has delegated day-to-day responsibility for the running of the MAT to the Academies Lead and Finance Director. The Finance Director, as Accounting Officer, has full responsibility 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 DRB Ignite Multi Academy Trust and the Secretary of State for Education. The Accounting Officer also has responsibility for reporting to the MAT Board any material weaknesses or breakdowns in internal control.

Governance and Accountability

The information on governance included here supplements that described in the Director's Report and in the statement of Director's Responsibilities. The MAT Board has formally met 5 times during the reporting period. Attendance during the period at meetings of the MAT Board was as follows :

Director's Name	Position	Attendance	Attendance rate
Richard Martin	Chair (Non Exec)	X4	80%
Rob Bowater	Exec	X5	100%
David Bagley	Exec (AO)	X5	100%
Therese Connell	Exec	X5	100%
Kevin McCabe	Exec	X5	100%
Helen Morrison	Exec	X2	40%
Paul Taylor	Non Exec	X2	100% (since joining)
Viv Randall	Non Exec	X2	40%
Cheryl Millard	Non Exec	X2	40%
Andrew James	Non Exec	X2	100% (since joining)
Sue Egersdorff	Academies Lead	X5	100%

A Review of Governance was undertaken in **July 2015** which highlighted the following areas for development:

- need to establish appropriate sub group structure with clear lines of accountability to the main board
- need to recruit non-executive directors with specific business and HR experience and competencies
- need to consider further support for the board in terms of the clerking arrangements for meetings and preparation of agendas etc

Subsequent to this the following actions were taken:

- sub group structure established. TOR agreed by Board
- two new non-executive directors appointed
- agreement by Board to appoint a MAT Business Manager to oversee Accountability Framework

The MAT intends to conduct its next self-evaluation review in **February 2017** following a full review of the Business Plan scheduled for December 2016 to January 2017. This will ensure the MAT Board is fit for purpose to over see and achieve the agreed improvement priorities.

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Governance Statement (continued)

The **Finance, HR and Asset Management Committee** is a sub-committee of the main MAT Board. Its key accountabilities are:

- To consider each schools' indicative funding, notified annually by the DfE and to assess its implications, in consultation with HTs, the Academies Lead and the Finance Director, in advance of the financial year, drawing any matters of significance or concern to the attention of the Board.
- To consider and recommend acceptance/non-acceptance of the Trust's budget, at the start of each financial year.
- To contribute to the formulation of each Schools' Development Plan, through the consideration of financial priorities and proposals, in consultation with the Academies Lead, the Finance Director and HTs, with the stated and agreed aims and objectives of the Trust.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To liaise with and receive reports from LGBs and to make recommendations to LGBs about the financial aspects of matters being considered by them.
- To monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the Trust, and with the Academies Financial Handbook, drawing any matters of concern to the attention of the Board.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
- To receive the financial statement to form part of the Annual Report of the Trust for filing in accordance with Companies Act requirements.
- To review the Trust's internal and external financial statements and reports to ensure that they reflect best practice.
- To approve the drawing up of a Building Development Programme and Asset Management Plan including application for capital grants.

Director	Appointment date	Meetings attended	Attendance rate
David Bagley (AO)	Sept 15	5	85%
Therese Connell	Sept 15	5	85%
Kevin McCabe	Sept 15	5	85%
Rob Bowater	Sept 15	5	85%
Sue Egersdorff	Sept 15	5	85%

The **Standards and Safeguarding Committee** is a sub-committee of the main MAT Board. Its main responsibilities are to oversee:

Curriculum and Quality

- The school's statutory requirements in relation to the curriculum offer and other curriculum issues such as spiritual, moral, social and cultural learning;
- The educational needs of the pupils attending MAT schools
- MAT policies in relation to its Curriculum Statement
- The overall quality of teaching
- Provision of extra-curricular activity

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Governance Statement (continued)

Performance and Standards

- The monitoring and review of the achievement of strategic objectives, in particular the overview of performance against quantitative and qualitative benchmarks for key indicators/outcomes and the Ofsted framework, providing challenge and recommending remedial actions where required in line with the MAT Business Plan
- The monitoring and review of the measures covered in the Rapid Improvement Plans (RIPs) for sponsored schools and in line with Achievement Support Group (ASG) procedures

Self-Assessment and Review

- Information on curriculum and quality issues for all the Trust's schools through the use of a Performance Canvas for each school
- Progress reports on the implementation of post-Ofsted action plans and any other formal evaluation reports related to the quality and achievement of learning across the Trust, to further inform and develop the Trust's Quality Improvement Plans and strategies
- Review of outcomes, identifying significant changes in performance, emerging trends and risks in relation to the future performance of each school.

Director	Appointment date	Meetings attended	Attendance rate
Richard Martin	Sept 16	Inaugural meeting November 2016	
Sally Noble (non director)	Sept 16		
Kevin McCabe	Sept 16		
Paul Taylor	Sept 16		
Sue Egersdorff	Sept 16		

Review of value for money

The Accounting Officer has responsibility for ensuring that the MAT 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 has considered how the MAT's use of resources has provided good value for money over the Reporting period and reports to the board of directors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Multi Academy Trust has delivered improved value for money during the period by:

- Procurement of shared financial reporting system
- Procurement of SPTO Pupil Progress Tracking system
- Development of cross MAT Performance Canvas

The Accountability Framework and System of Internal Control

The MAT's Accountability Framework and system of internal control are designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. They can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Multi Academy's 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 Accountability Framework and system of internal control have been developing over the period to 31 October 2016 and up to the date of approval of the annual report and financial statements.

Governance Statement (continued)

Capacity to handle risk

The MAT Board has reviewed the key risks to which the Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating and managing the Multi Academy Trust's significant risks that has been in place for the period to 31 October 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the MAT Board

The Risk and Control Framework

The MAT'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 line with the Academies Financial Handbook.

It includes:

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor, however the trustees have appointed Nigel Smith, the external auditor, to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations on a termly basis, the reviewer reports to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities

Review of Effectiveness

As Accounting Officer, David Bagley (Director) has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal reviewer
- the work of the external auditor;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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Governance Statement (continued)

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

Approved by order of the members of the Governing Body on 22 December 2016 and signed on its behalf by:



Richard Martin
Chair of Governors



David Bagley
Accounting Officer


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Statement of regularity, propriety and compliance

As accounting officer of DRB Ignite Multi Academy Trust I have considered my responsibility to notify the Multi Academy Trust Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Multi 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 2016.

I confirm that I and the Multi Academy Trust Board of Directors are able to identify any material irregular or improper use of funds by the Multi Academy Trust, or material non-compliance with the terms and conditions of funding under the Multi Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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 the EFA.



..... David Bagley – Accounting Officer

22 December 2016

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Statement of Directors' Responsibilities

The Directors of DRB Ignite Multi Academy Trust are responsible for preparing the Directors Annual Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the Directors are required to:

- fully comply with the requirements set out in the Academies Financial Handbook 2016
- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in its conduct and operation the company applies financial and other controls which conform with the requirements both of propriety and of good financial management as laid down in the Academies Financial Handbook 2016. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the MAT 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 Directors of the MAT Board of on 22 December 2016 and signed on its behalf by:



..... Richard Martin – Chair of MAT Board

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of
DRB Ignite Multi Academy Trust

We have audited the financial statements of DRB Ignite Multi Academy (A Company Limited by Guarantee) for the period ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Multi Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Multi Academy Trust'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 Multi Academy Trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities (set out on page 16), the trustees (who are also the directors of the Multi Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Multi Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements :

- give a true and fair view of the state of the Multi Academy Trust's affairs as at 31 August 2016, and of its incoming resources and application of resources, including its income and expenditure, for the period then
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

**DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of DRB Ignite Multi Academy
(continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

22 December 2016

**DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to DRB Ignite Multi Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 23 June 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the DRB Ignite Multi Academy Trust during the period 1 October 2015 to 31 August 2016 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 drb Ignite Multi Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to DRB Ignite Multi Academy Trust and the EFA 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 drb Ignite Multi Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of DRB Ignite Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of DRB Ignite Multi Academy Trust's funding agreement with the Secretary of State for Education dated 25 September 2015 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 October 2016 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. 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 Multi Academy Trust's income and expenditure.

The work undertaken to draw our conclusion includes :

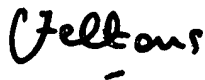
- Consideration of the applicable legislation and the Multi Academy Trust's Funding Agreement
- Review and evaluation of the Multi Academy Trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

**DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to DRB Ignite Academy and
the Education Funding Agency (continued)**

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 October 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David W Farnsworth FCA (Senior Statutory Auditor)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

22 December 2016

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities for the period ended 31 August 2016
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2016 £
Income from :						
Donations and capital grants	2	10,860	-	-	383,378	394,238
Transfer from local authority on conversion	3	967,442	(2,753,000)	(27,612)	16,159,010	14,345,840
Funding for the academy trust's educational operations	4	129,917	-	5,343,710	-	5,473,627
Other trading activities	5	3,625	-	-	-	3,625
Investments	6	826	-	-	-	826
Total		1,112,670	(2,753,000)	5,316,098	16,542,388	20,218,156
Expenditure on :						
Raising funds		-	-	-	-	-
Charitable activities:						
Academy trust's educational operations	7	87,510	194,000	4,939,536	326,683	5,547,729
Other costs on conversion		-	-	96,154	-	96,154
Total		87,510	194,000	5,035,690	326,683	5,643,883
Net income/(expenditure) before transfers		1,025,160	(2,947,000)	280,408	16,215,705	14,574,273
Transfers between funds	16	(21,000)	-	(81,360)	102,360	-
Net income/(expenditure) after transfers		1,004,160	(2,947,000)	199,048	16,318,065	14,574,273
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	16, 25	-	(1,931,000)	-	-	(1,931,000)
Net movement in funds		1,004,160	(4,878,000)	199,048	16,318,065	12,643,273
Reconciliation of funds						
Total funds brought forward		-	-	-	-	-
Total funds carried forward		1,004,160	(4,878,000)	199,048	16,318,065	12,643,273

All of the Academy's activities were derived from acquisitions during the above financial period.

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Company number : 09284055

Balance sheet as at 31 August 2016

		2016	
	Notes	£	£
Fixed assets			
Tangible assets	13		16,244,734
Current assets			
Debtors	14	650,437	
Cash at bank and in hand		<u>1,339,582</u>	
		1,990,019	
Liabilities			
Creditors: amounts falling due within one year	15(a)	<u>688,078</u>	
Net current assets			1,301,941
Total assets less current liabilities			<u>17,546,675</u>
Creditors: amounts falling due after more than one year	15(b)		(25,402)
Net assets excluding pension liability			<u>17,521,273</u>
Defined benefit pension scheme liability	25		(4,878,000)
Total net assets			<u><u>12,643,273</u></u>
Funds of the academy trust :			
Restricted funds			
Fixed asset fund	16	16,318,065	
General fund	16	199,048	
Pension reserve	16	<u>(4,878,000)</u>	
Total restricted funds			11,639,113
Unrestricted income funds	16		1,004,160
Total funds			<u><u>12,643,273</u></u>

The financial statements on pages 21 to 48 were approved by the trustees, and authorised for issue on 22 December 2016 and are signed on their behalf by:



Mr Richard Martin - Chair of MAT

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Statement of cash flows for the period ended 31 August 2016

	Notes	2016 £
Cash flows from operating activities		
Net cash provided by / (used in) operating activities	20	401,448
Cash transferred on conversion to academy trust	27	967,442
Cash flows from investing activities	21	(28,203)
Cash flows from financing activities	22	(1,105)
Cash and cash equivalents at 31 August 2016	23	<u>1,339,582</u>

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016

1. Statement of accounting policies

Basis of preparation

The financial statements of the multi academy trust 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

DRB Ignite Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

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 multi academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the multi 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 multi 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Donations**

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.

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Income (continued)

- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the multi 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. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the multi academy trust's accounting policies.

Conversion to multi academy trust

The conversion from a state maintained school to an multi academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below :

The assets and liabilities transferred on conversion from;

- Beechwood CE Primary School
- Jervoise School
- The Bromley-Pensnett Primary School
- Wychall Primary School

to the multi academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Details of the nature and valuation of fixed assets including the allocation between Land & Buildings and Other Fixed Assets, pension and other assets and liabilities transferred are set out in note 27.

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.

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Expenditure (continued)

- **Expenditure on raising funds**
This includes all expenditure incurred by the multi academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the multi academy trust's educational operations, including support costs and costs relating to the governance of the multi academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £500 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.

The Academy acquired a number of assets from the predecessor school for which no payment was made. A notional donation of £16,159,010 has been recognised to represent their value at that date.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Leasehold buildings	- straight line over 50 years
Fittings and equipment	- 15% straight line
Computer hardware	- 25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Debtors

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

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Cash at bank and in hand

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

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 multi 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.

Leased assets

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

Taxation

The multi 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 multi 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.

Pension benefits

Retirement benefits to employees of the multi 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 multi academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Pension benefits (continued)

The LGPS is a funded scheme and the assets are held separately from those of the multi 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 resources which may be used towards meeting any of the charitable objects of the multi 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 Education Funding Agency or Department for Education.

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	Total 2016 £
Capital grants	-	364,175	364,175
Local authority funding	-	19,203	19,203
Other donations	10,860	-	10,860
	<u>10,860</u>	<u>383,378</u>	<u>394,238</u>

3. Transfer from local authority on conversion

	Unrestricted funds £	Restricted pension funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2016 £
Fixed assets	-	-	-	16,159,010	16,159,010
Surplus on LA funds	951,660	-	-	-	951,660
Other assets	15,782	-	-	-	15,782
Other liabilities	-	-	(27,612)	-	(27,612)
LGPS pension (deficit)	-	(2,753,000)	-	-	(2,753,000)
	<u>967,442</u>	<u>(2,753,000)</u>	<u>(27,612)</u>	<u>16,159,010</u>	<u>14,345,840</u>

4. Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted general fund £	Total 2016 £
DfE/EFA grants			
General Annual Grant (GAG)	-	3,939,967	3,939,967
Start up grants	-	100,000	100,000
Other DfE/EFA grants	-	676,672	676,672
	<u>-</u>	<u>4,716,639</u>	<u>4,716,639</u>
Other government grants			
Local authority grants	-	604,481	604,481
Other grants	-	22,590	22,590
	<u>-</u>	<u>627,071</u>	<u>627,071</u>
Other income from the academy trust's educational operations	129,917	-	129,917
	<u>129,917</u>	<u>627,071</u>	<u>756,988</u>
	<u>129,917</u>	<u>5,343,710</u>	<u>5,473,627</u>

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016 (continued)

5. Other trading activities

	Unrestricted funds £	Total 2016 £
Hire of facilities	3,625	3,625

6. Investment income

	Unrestricted funds £	Total 2016 £
Short term deposits	826	826

7. Resources expended

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2016 £
Academy's educational operations				
Direct costs	3,002,080	212,345	269,477	3,483,902
Allocated support costs	964,853	407,509	691,465	2,063,827
	<u>3,966,933</u>	<u>619,854</u>	<u>960,942</u>	<u>5,547,729</u>

Net incoming/(outgoing) resources for the period include :

	£
Operating leases - plant and machinery	5,173
Depreciation	326,683
Interest paid on equal pay loan	635
Fees payable to auditor - audit	<u>8,000</u>

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016 (continued)

8. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2016 £
Educational operations				
Direct costs	68,567	-	3,415,335	3,483,902
Support costs	18,943	194,000	1,850,884	2,063,827
	<u>87,510</u>	<u>194,000</u>	<u>5,266,219</u>	<u>5,547,729</u>
Analysis of support costs				
Support staff	-	194,000	770,853	964,853
Depreciation	-	-	114,338	114,338
Technology costs	-	-	13,786	13,786
Premises costs	2,937	-	290,234	293,171
Other support costs	16,006	-	644,590	660,596
Governance costs	-	-	17,083	17,083
Total support costs	<u>18,943</u>	<u>194,000</u>	<u>1,850,884</u>	<u>2,063,827</u>

9. Staff

a) Staff costs

Staff costs during the period were:

	Total 2016 £
Wages and salaries	2,840,730
Social security costs	222,176
Operating costs of defined benefit pension schemes	694,455
	<u>3,757,361</u>
Supply staff costs	205,112
Staff restructuring costs	4,460
	<u>3,966,933</u>

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016 (continued)

9. Staff (continued)

**Total
2016
£**

Staff restructuring costs comprise :

Severance payment

4,460

4,460

b) Staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £4,460.

c) Staff numbers

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

**2016
Number**

Charitable activities

Teachers

100

Administration and support

72

Management

2

174

d) Higher paid staff

**Total
2016
Number**

The number of employees whose emoluments on an annualised basis (excluding employer pension costs) exceeded £60,000 was :

£70,001 - £80,000

1

£80,001 - £90,000

1

e) Key management personnel

The key management personnel of the multi 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) received by key management personnel for their services to the multi academy trust was £259,434.

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016 (continued)

10. Central services

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

Category	Basis
Central support costs	4% - 5% of general annual grant

The actual amounts charged during the period were as follows :

	2016
	£
Beechwood CE Primary School	10,358
Jervoise School	36,299
The Bromley-Pensnett Primary School	48,443
Wychall Primary School	74,706
	<u>169,806</u>

11. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the multi 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 :

Therese Connell (headteacher and trustee from 1/10/15)	
Remuneration	£75,000 - £80,000
Employer's pension contributions paid	£10,000 - £15,000
Kevin McCabe (executive headteacher and trustee from 1/10/15)	
Remuneration	£65,000 - £70,000
Employer's pension contributions paid	£10,000 - £15,000

During the period ended 31 August 2016, travel and subsistence expenses totalling £5,183 were reimbursed or paid directly to 3 trustees. Other related party transactions involving the trustees are set out in note 26.

12. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2016 was £3,710. The cost of this insurance is included in the total insurance cost.

DRB Ignite Multi Academy Trust
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Notes to the financial statements for the period ended 31 August 2016 (continued)

13. Tangible fixed assets

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Cost or valuation				
Transfer on conversion	15,741,090	169,290	248,630	16,159,010
Other additions	344,520	22,802	45,085	412,407
At 31 August 2016	<u>16,085,610</u>	<u>192,092</u>	<u>293,715</u>	<u>16,571,417</u>
Depreciation				
Charge for the period	256,867	21,689	48,127	326,683
At 31 August 2016	<u>256,867</u>	<u>21,689</u>	<u>48,127</u>	<u>326,683</u>
Net book values				
At 31 August 2016	<u>15,828,743</u>	<u>170,403</u>	<u>245,588</u>	<u>16,244,734</u>

Leasehold property's was valued at 1 October 2015 and 1 April 2016 by The Valuation Office Agency – DVS and the fittings and equipment and computer hardware were valued as at 1 October 2015 and 1 July 2016 by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2016 is represented by :

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Valuation in 2016	15,741,090	169,290	248,630	16,159,010
Cost	<u>344,520</u>	<u>22,802</u>	<u>45,085</u>	<u>412,407</u>
	<u>16,085,610</u>	<u>192,092</u>	<u>293,715</u>	<u>16,571,417</u>

The trust's acquisitions relating to land and buildings included the taking up of the leaseholds on the following schools;

- Beechwood CE Primary School, Beechwood Road, Dudley, DY2 7QA
- Jervoise School, Jervoise Road, Weoley Castle, Birmingham, B29 5QU
- The Bromley-Pensnett Primary School, Bromley, Pensnett, Brierley Hill, DY5 4PJ
- Wychall Primary School, Middle Field Road, Northfield, Birmingham, B31 3EH

All leaseholds are for a peppercorn rent over a term of 125 years.

DRB Ignite Multi Academy Trust
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Notes to the financial statements for the period ended 31 August 2016 (continued)

14. Debtors

	Total 2016 £
VAT recoverable	144,292
Prepayments and accrued income	468,343
Other debtors	37,802
	<u>650,437</u>

15. Creditors

	Total 2016 £
(a) Amounts falling due within one year :	
Creditors from operations	510,252
Other taxation and social security	30,050
Accruals and deferred income	100,175
Other creditors	47,601
	<u>688,078</u>
 Deferred income	
Resources deferred in the period	53,022
 Deferred income at 31 August 2016	<u>53,022</u>

At the balance sheet date the multi academy trust was holding funds received in advance for universal free school meals.

(b) Amounts falling due after more than one year :

Other creditors	<u>25,402</u>
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Other creditors due after more than one year represents a loan from Dudley Metropolitan Borough Council repayable in yearly installments with annual interest charged at the Authority's actual General Fund Borrowing Rate (currently approximately 2.4%). The amount repayable after more than five years is £20,982. The amount due within one year is shown in note 15(a).

DRB Ignite Multi Academy Trust
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Notes to the financial statements for the period ended 31 August 2016 (continued)

16. Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds				
General Annual Grant (GAG)	3,939,967	(3,646,397)	(82,465)	211,105
Start Up Grant	100,000	(85,550)	-	14,450
Pupil Premium	676,672	(676,672)	-	-
Liabilities inherited on conversion	(27,612)	-	1,105	(26,507)
Other grants	627,071	(627,071)	-	-
	<u>5,316,098</u>	<u>(5,035,690)</u>	<u>(81,360)</u>	<u>199,048</u>
Restricted fixed asset funds				
Transfer on conversion	16,159,010	(318,156)	-	15,840,854
DfE/EFA capital grants	364,175	(3,841)	(6,999)	353,335
Capital expenditure from GAG	-	(4,686)	112,292	107,606
Local authority funding	19,203	-	(2,933)	16,270
	<u>16,542,388</u>	<u>(326,683)</u>	<u>102,360</u>	<u>16,318,065</u>
Pension reserve	<u>(2,753,000)</u>	<u>(194,000)</u>	<u>(1,931,000)</u>	<u>(4,878,000)</u>
Total restricted funds	<u>19,105,486</u>	<u>(5,556,373)</u>	<u>(1,910,000)</u>	<u>11,639,113</u>
Unrestricted funds				
Other income	<u>1,112,670</u>	<u>(87,510)</u>	<u>(21,000)</u>	<u>1,004,160</u>
Total unrestricted funds	<u>1,112,670</u>	<u>(87,510)</u>	<u>(21,000)</u>	<u>1,004,160</u>
Total funds	<u>20,218,156</u>	<u>(5,643,883)</u>	<u>(1,931,000)</u>	<u>12,643,273</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education Funding Agency, Birmingham City Council and Dudley Metropolitan Borough Council.

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education Funding Agency, Birmingham City Council and Dudley Metropolitan Borough Council where the asset acquired or created is held for a specific purpose.

DRB Ignite Multi Academy Trust
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Notes to the financial statements for the period ended 31 August 2016 (continued)

16. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2016 were allocated as follows :

	Total 2016 £
Beechwood CE Primary School	331,177
Jervoise School	297,411
The Bromley-Pensnett Primary School	65,745
Wychall Primary School	550,732
DRB Ignite Multi Academy Trust	(41,857)
Total before fixed assets and pension reserve	<u>1,203,208</u>
Restricted fixed asset fund	16,318,065
Pension reserve	(4,878,000)
Total funds	<u>12,643,273</u>

Total cost analysis by academy

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

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total £
Beechwood CE Primary School	97,905	21,217	3,190	37,194	159,506
Jervoise School	687,388	202,444	29,397	218,421	1,137,650
The Bromley-Pensnett Primary School	851,719	220,348	28,555	211,489	1,312,111
Wychall Primary School	1,365,068	520,844	68,396	441,942	2,396,250
DRB Ignite Multi Academy Trust	-	-	-	311,683	311,683
Academy trust	<u>3,002,080</u>	<u>964,853</u>	<u>129,538</u>	<u>1,220,729</u>	<u>5,317,200</u>

DRB Ignite Multi Academy Trust
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Notes to the financial statements for the period ended 31 August 2016 (continued)

17. Analysis of net assets between funds

Fund balances at 31 August 2016
are represented by:

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	16,244,734	16,244,734
Current assets	1,004,160	-	912,528	73,331	1,990,019
Current liabilities	-	-	(688,078)	-	(688,078)
	<u>1,004,160</u>	<u>-</u>	<u>224,450</u>	<u>16,318,065</u>	<u>17,546,675</u>
Creditors due after one year	-	-	(25,402)	-	(25,402)
Pension scheme liability	-	(4,878,000)	-	-	(4,878,000)
Total net assets	<u>1,004,160</u>	<u>(4,878,000)</u>	<u>199,048</u>	<u>16,318,065</u>	<u>12,643,273</u>

18. Capital commitments

	2016 £
Contracted for but not provided in the financial statements	<u>73,000</u>

19. Commitments under operating leases

At 31 August 2016 the total of the multi academy
trust's future minimum lease payments under non-
cancellable operating leases was:

	Other 2016 £
Amounts due within one year	21,137
Amounts due between one and five years	51,378
	<u>72,515</u>

**20. Reconciliation of net income/(expenditure) to net cash flow
from operating activities**

	Total 2016 £
Net income/(expenditure) for reporting period (as per the SoFA on page 21)	14,574,273
Depreciation (note 13)	326,683
Capital grants from EFA and other capital income	(383,378)
Cash transferred on conversion to multi academy trust (note 27)	(967,442)
Assets transferred on conversion to multi academy trust (note 27)	(16,159,010)
Loan deficit inherited on conversion to multi academy trust (note 27)	27,612
Interest receivable (note 6)	(826)
Defined benefit pension scheme obligation inherited	2,753,000
Defined benefit pension scheme cost less contributions payable	265,000
Defined benefit pension scheme finance cost/(income) (note 25)	(71,000)
Decrease / (increase) in debtors	(650,437)
Increase / (decrease) in creditors	686,973
Net cash provided by / (used in) operating activities	<u>401,448</u>

21. Cash flows from investing activities	Total 2016 £	826 (412,407) 364,175 19,203	Net cash provided by / (used in) investing activities	(28,203)
22. Cash flows from financing activities	Total 2016 £	(1,105)	Net cash provided by / (used in) financing activities	(1,105)
23. Analysis of cash and cash equivalents	At 31 August 2016 £	1,339,582	Cash at bank and in hand	1,339,582
24. Member's 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.			

Notes to the financial statements for the period ended 31 August 2016 (continued)

25. Pension and similar obligations

The multi 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 Midlands Pension Fund. 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 2013.

Contributions amounting to £27,478 were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are :

- employer contribution rates set at 16.48% of pensionable pay including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

DRB Ignite Multi Academy Trust
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Notes to the financial statements for the period ended 31 August 2016 (continued)

25. Pension and similar obligations (continued)

During the previous period the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £255,798.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £505,152, of which employer's contributions totalled £439,196 and employees' contributions totalled £65,956. The agreed contribution rates for future years are 15.1% - 17.0% for employers and 5.5% - 6.8% for employees.

LGPS obligation relates to the employees of the multi academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the multi academy trust at the balance sheet date.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 29 years.

Principal actuarial assumptions

**At 31
August 2016**

Rate of increase in salaries	3.75%
Rate of increase for pensions in payment / inflation	2.00%
Discount rate for scheme liabilities	2.20%
Inflation assumption (CPI)	2.00%
Commutation of pensions to lump sums	50.00%

Sensitivity analysis

	As disclosed	Discount rate	Pension increases	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	6,318	6,149	6,439	6,480
Projected service cost	584	569	600	599
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	6,318	6,492	6,201	6,161
Projected service cost	584	600	569	569

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016 (continued)

25. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	At 31 August 2016
Retiring today	
Males	23.1
Females	25.8
Retiring in 20 years	
Males	25.3
Females	28.1

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2016 £
Equities	853,000
Government bonds	100,000
Other bonds	124,000
Property	116,000
Cash/liquidity	92,000
Other	155,000
Total market value of assets	<u>1,440,000</u>

The actual return on scheme assets was £193,000

	2016 £
Amount recognised in the statement of financial activities	
Current service cost (net of employee contributions)	300,000
Net interest cost	90,000
Total operating charge	<u>390,000</u>

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016 (continued)

25. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2016 £
Upon conversion	3,738,000
Current service cost	300,000
Interest cost	122,000
Change in financial assumptions	2,092,000
Employee contributions	66,000
At 31 August 2016	<u>6,318,000</u>

Changes in the fair value of academy's share of scheme assets were as follows :

	2016 £
Upon conversion	985,000
Interest in assets	32,000
Return on assets less interest	161,000
Employer contributions	196,000
Employee contributions	66,000
At 31 August 2016	<u>1,440,000</u>

Net pension scheme liability	<u>(4,878,000)</u>
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26. Related party transactions

Owing to the nature of the multi academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

The following related party transactions took place during the period:

drb Contract Cleaning Limited

A company in which Robert Bowater and David Bagley (directors) have a direct interest

Services recharged to related company during the period
Amount due to related company at period end

**2016
£**

12,078

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016 (continued)

26. Related party transactions (continued)

drb Facilities Management Limited

A company in which Robert Bowater and David Bagley (directors) have a direct interest

2016
£

Services recharged to related company during the period
Amount due to related company at period end

3,497

-

drb Ignite Limited

A company in which Robert Bowater, David Bagley and Helen Morrison (directors) have a direct interest

2016

£

Services recharged to related company during the period
Services recharged from related company during the period
Amount due to related company at period end

10,527

(16,488)

822

drb Learning Limited

A company in which Robert Bowater and David Bagley (directors) have a direct interest

2016
£

Services recharged to related company during the period
Amount due to related company at period end

458

-

drb Marketing Limited

A company in which Robert Bowater and David Bagley (directors) have a direct interest

2016
£

Services recharged to related company during the period
Amount due to related company at period end

12,988

9,318

drb Schools and Academies Limited

A company in which Robert Bowater and David Bagley (directors) have a direct interest

2016
£

Services recharged to related company during the period
Amount due to related company at period end

196,819

2,539

DRB Ignite Multi Academy Trust
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Notes to the financial statements for the period ended 31 August 2016 (continued)

26. Related party transactions (continued)

Sue Egersdorff Associates Ltd

A company in which Sue Egersdorff (director) has a direct interest	2016 £
Services recharged to related company during the period	59,575
Amount due to related company at period end	<u>17,222</u>

The trust conducted all of these related party transactions at arms' length following a competitive tendering exercise in accordance with its financial regulations, which none of the directors listed participated in, nor influenced.

In entering into these transactions the trust has complied with the requirements of the Academies Financial Handbook 2015.

The DRB group of companies listed above have provided the initial infrastructure to the multi academy trust. Going forward in 2016/17 it is proposed that the multi academy trust starts to implement its own infrastructure.

27. Conversion to a multi academy trust

During the period the following academies converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to DRB Ignite Multi Academy Trust for £nil consideration.

Academy	Date of conversion	Local Authority
Jervoise School	1/10/15	Birmingham City Council
The Bromley-Pensnett Primary School	1/10/15	Dudley Metropolitan Borough Council
Wychall Primary School	1/10/15	Birmingham City Council
Beechwood CE Primary School	1/07/16	Dudley Metropolitan Borough Council

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

DRB Ignite Multi Academy Trust
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Notes to the financial statements for the period ended 31 August 2016 (continued)

27. Conversion to a multi academy trust (continued)

DRB Ignite Multi Academy Trust

The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets					
Leasehold land and buildings	-	-	-	15,741,090	15,741,090
Other tangible fixed assets	-	-	-	417,920	417,920
Budget surplus/(deficit) on LA funds	951,660	-	-	-	951,660
LGPS pension (deficit)	-	(2,753,000)	-	-	(2,753,000)
Other identified liabilities	-	-	(27,612)	-	(27,612)
Other identified assets	15,782	-	-	-	15,782
Total net assets	967,442	(2,753,000)	(27,612)	16,159,010	14,345,840

The above net assets include £967,442 transferred as cash.

Beechwood C of E Primary School

Tangible fixed assets					
Leasehold land and buildings	-	-	-	2,317,359	2,317,359
Other tangible fixed assets	-	-	-	101,690	101,690
Budget surplus on LA funds	254,865	-	-	-	254,865
LGPS pension (deficit)	-	(370,000)	-	-	(370,000)
Other identified assets	6,030	-	-	-	6,030
Total net assets	260,895	(370,000)	-	2,419,049	2,309,944

The above net assets include £260,895 transferred as cash.

DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the period ended 31 August 2016 (continued)

27. Conversion to a multi academy trust (continued)

Jervoise School

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets					
Leasehold land and buildings	-	-	-	3,201,031	3,201,031
Other tangible fixed assets	-	-	-	184,117	184,117
Budget surplus on LA funds	270,189	-	-	-	270,189
LGPS pension (deficit)	-	(595,000)	-	-	(595,000)
Other identified assets	1,225	-	-	-	1,225
Total net assets	271,414	(595,000)	-	3,385,148	3,061,562

The above net assets include £271,414 transferred as cash.

The Bromley-Pensnett Primary School

Tangible fixed assets					
Leasehold land and buildings	-	-	-	5,617,544	5,617,544
Other tangible fixed assets	-	-	-	78,050	78,050
Budget surplus on LA funds	103,099	-	-	-	103,099
LGPS pension (deficit)	-	(479,000)	-	-	(479,000)
Other identified liabilities	-	-	(27,612)	-	(27,612)
Other identified assets	6,010	-	-	-	6,010
Total net assets	109,109	(479,000)	(27,612)	5,695,594	5,298,091

The above net assets include £109,109 transferred as cash.

Wychall Primary School

Tangible fixed assets					
Leasehold land and buildings	-	-	-	4,605,156	4,605,156
Other tangible fixed assets	-	-	-	54,063	54,063
Budget surplus on LA funds	323,507	-	-	-	323,507
LGPS pension (deficit)	-	(1,309,000)	-	-	(1,309,000)
Other identified assets	2,517	-	-	-	2,517
Total net assets	326,024	(1,309,000)	-	4,659,219	3,676,243

The above net assets include £326,024 transferred as cash.

**DRB Ignite Multi Academy Trust
(A Company Limited by Guarantee)**

Notes to the financial statements for the period ended 31 August 2016 (continued)

27. Conversion to a multi academy trust (continued)

The transfer agreement requires the company to run the academies known as;

- Beechwood CE Primary School
- Jervoise School
- The Bromley-Pensnett Primary School
- Wychall Primary School

on the present sites; transfers all property, undertakings, rights, assets whether tangible or intangible to the multi academy trust; and sets out the responsibilities of the academy with regards to the employees of the former local authority controlled schools. The transfer included the lease of all property for a period of 125 years.