

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

Company Registration Number
09284055 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR

TUESDAY



A8X512IP

A20

21/01/2020

#25

COMPANIES HOUSE



Report and Financial Statements

Year ended 31 August 2019

Contents	Page
Reference and Administrative Detail	1
Trustees' Report including:	3
• Governance Statement	17
• Statement on Regularity, Propriety and Compliance	22
• Statement of Trustees' Responsibilities	23
Independent Auditor's Report on the Financial Statements	24
Independent Reporting Accountant's Report on Regularity	28
Statement of Financial Activities: incorporating Income & Expenditure Account	30
Balance Sheet	31
Statement of Cash Flows	32
Notes forming part of the Financial Statements, incorporating:	
• Statement of Accounting Policies	33
• Other Notes to the Financial Statements	38

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

Reference and Administrative Details

Members:	David Sheldon (appointed 17 July 2018) John McDermott (appointed 31 August 2017) Martin Jackson (appointed 31 August 2017) Worcester Diocesan Academies Trust (appointed 31 August 2017)
Trustees:	David Sheldon - Chair (appointed 31 August 2017, appointed as Chair 1 July 2018) Martin Jackson (appointed 17 July 2018) Kevin McCabe (appointed 14 January 2015) Cheryl Millard (appointed 6 July 2015) Viv Randall – Vice Chair (appointed 6 July 2015) Ian Swain (appointed 31 August 2017) Sharon Knight (appointed 17 July 2018) Catherine Gallagher (appointed 31 August 2017) Bernard Peters (appointed 20 March 2018) David Peters (appointed 8 July 2019)
Accounting Officer:	Robert Bowater (CEO)
Chief Financial Officer:	Chris Finnerty (CFO)
Executive Leadership Team:	<ul style="list-style-type: none">• Robert Bowater Chief Executive• Chris Finnerty Director of Finance• Sue Egersdorff Executive Director Governance and Strategy• Kevin McCabe Director of School Improvement• Alvin Walters Director of Privacy and Data Protection• Geoff Bagley Director of Estates
Company name:	drb Ignite Multi Academy Trust
Principal and registered Office:	2nd Floor 3 Brindley Place Birmingham B1 2JB
Company registration number:	09284055

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

Reference and Administrative Details (continued)

Independent Auditor:	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers:	Lloyds Bank 114-116 Colmore Row Birmingham B3 3DP
Solicitors:	Browne Jacobson Victoria Square House Victoria Square Birmingham B2 4BU

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

Trustees' report for the year ended 31 August 2019

The Trustees present their Annual Report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2019. The Annual Report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Academy Trust operates nine primary schools serving catchment areas in Birmingham and Dudley which are:

- Jervoise Primary School (Birmingham)
- Wychall Primary School (Birmingham)
- The Oval Primary School (Birmingham)
- Audley Primary School (Birmingham)
- Princethorpe Infant School (Birmingham)
- Princethorpe Junior School (Birmingham) – joined March 2019
- Bromley Pensnett Primary School (Dudley)
- Beechwood C of E Primary School (Dudley)
- Hob Green Primary School (Dudley)

The schools have a combined pupil capacity of 3,787 and had a roll of 3,325 in the school census of October 2019.

School Conversions to Trust

The Company was incorporated at Companies House on 28 October 2014. Signed commercial transfer agreements and academy conversion dates are presented in the following table:

Name of school	Conversion to academy
Jervoise School	1 October 2015
Wychall Primary School	1 October 2015
Bromley Pensnett Primary School	1 October 2015
Beechwood C of E Primary School	1 October 2015
Princethorpe Infant School	1 October 2016
Audley Primary School	1 October 2016
The Oval Primary School	1 September 2016
Hob Green Primary School	1 November 2016
Princethorpe Junior School	1 March 2019

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

Trustees' report for the year ended 31 August 2019 (continued)

Governance Structure

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Articles of Association and Funding Agreement are the primary governing documents of the Trust. The Trustees of drb Ignite Multi Academy Trust are also the Trustees of the charitable company for the purposes of company law. The charitable company is known as drb Ignite Multi Academy Trust.

Details of the Trustees who served during the period covered by this Report are included in the Reference and Administrative details on page 1.

Member 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.

Trustee indemnities

The Trust purchases indemnity insurance to cover the liability of the Trustees 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 Academy Trust; provided that any insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees 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 Trustees in their capacity as Trustees of the Academy Trust. The insurance provides cover up to £10,000,000 on any one claim.

Recruitment and appointment of Trustees

The Board is comprised in majority of non-executive trustees. Non-executive trustees are appointed by the Members with the intention that the Board should comprise of an effective combination of experience, skills, and knowledge to fully meet the accountability requirements outlined in the Academies Financial Handbook 2018.

Individuals appointed as non-executive directors to the Trust are required to demonstrate:

- a set of competencies required by the Trust Board and in line with the DfE Governance Handbook 2019 and associated Competency Framework and Academies Financial Handbook 2018
- a robust skills and competencies set assessed and monitored through application, interview and annual audit
- a commitment to getting to know the Trust's schools well and fulfilling the vision and values of the Trust

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

Trustees' report for the year ended 31 August 2019 (continued)

- a commitment to maintaining a rigorous strategic oversight of Trust statutory, mandatory and regulatory financial management and governance responsibilities in line with the Academies Financial Handbook 2018

The Trust has one Executive Trustee who is employed by the Trust as Director of School Improvement.

The CEO (Accounting Officer) attends all Trust Board meetings but does not serve as a Trustee.

The selection procedure for prospective Trustees is thorough and includes local advertising, national advertising, website and other social media technologies. An application and interview process takes place led by the Trust's Remuneration Sub-committee. Final selection is approved by the full Trust Board.

Trustee induction and training

Newly appointed Trustees are fully inducted using a bespoke induction package that includes:

- face to face sessions with the CEO and Executive Leadership Team
- visits to Trust schools and associated learning walks
- observation of school improvement process
- understanding and analysis of school improvement data including attendance and exclusions data
- induction briefings on key areas e.g. SEND, attendance, pupil premium, children looked after
- safer recruitment practice
- safeguarding, child protection and prevent training
- document sharing and reading lists e.g. Academies Financial Handbook 2018 and KCSIE 2019

The Trust maintains two annual professional development plans for Trustees and local Academy Council members:

- Professional Development Plan for all Trustees and local Academy Council Members
- Induction Plan for new Trustees and Academy Council Members

Further additional training is provided alongside school leaders to keep Trustees up to date with the Trust's Performance Data and Pupil Progress Tracking Systems. This takes place at the Trust's Leadership and Governance Away Days which are held annually in January.

Trust Board Sub Committees

The Trust Board has 4 main sub-committees. The committees for the period of the Report are:

- Finance
- Risk and Audit
- Achievement, Support and Scrutiny
- Academy Councils

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

Trustees' report for the year ended 31 August 2019 (continued)

Two further committees for Remuneration and Nomination and Disciplinary Appeals are formed from Trustees when required and subject to Trustee availability.

The Trust's local Academy Council structure has replaced school governing bodies, providing an alternative model for securing effective strategic governance at a local level. The model has been reviewed in September 2019 with some changes made and will be further reviewed at the end of the school year 2019/20.

All sub-committees have formal 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 Committee, include the preparation, monitoring and management of the Trust's budget and implementation of the Trust's financial management policies alongside associated processes for managing reserves and investment.

These are set out clearly in the Trust's Governance Charter and Scheme of Delegation and Financial Procedures Manual which can be viewed on the Trust's website.

Trustee roles and accountabilities

The Trust Board takes all statutory, mandatory and regulatory accountabilities seriously and is fully compliant with the Academies Financial Handbook 2019 and associated documents. To maintain a focus on important aspects of school improvement work, the Trust Board appoints individual Trustees to fulfil particular roles. Over the period of the Report the following appointments were made:

Trust Chair – David Sheldon continued in his role as Trust Chair for the period of the Report.

Trust Vice Chair – Viv Randall continued in her role as Trust Vice Chair for the period of the Report.

Trust Safeguarding Lead – David Sheldon: responsible for attending all relevant external training and disseminating information to fellow Trustees and Academy Council members as appropriate.

Trust Single Point of Contact (Child Protection) – Robert Bowater

Designated Lead Children Looked After (CLA) – Robert Bowater

Professional Development Lead – Kevin McCabe: responsible for overseeing the training and development opportunities offered to Trustees and Academy Council members in line with associated development plans. The role holder ensures that Trustees are provided with opportunities to receive professional development in accordance with:

- their role and accountabilities as set out in the Academies Financial Handbook 2019, DfE Governance Handbook 2019 and associated Competency Framework
- the priorities outlined in the Trust's Strategic Business Plan and termly Rapid Action Plans
- the Trustees and Executive Governance Annual Skills and Competencies Audit
- individual Trustee self-evaluation using the DfE Competency Framework

The Trust Board has an Annual Business Schedule Planner which structures how the Board fulfils its responsibilities for overseeing, advising and challenging on the regularity, propriety

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

Trustees' report for the year ended 31 August 2019 (continued)

and value for money of all aspects of Trust business. This includes the actions and behaviours of the CEO (Accounting Officer), Director of Finance (CFO), Executive Leadership Team, Trust Improvement Board and Academy Councils. The Board recognise the enormous importance of securing Trustees with the right knowledge and skills to carry out this role effectively and are aware of the need for robust succession planning.

A critical focus over the 2018-2019 Reporting Year has continued to be robust governance and financial management to ensure full compliance with ESFA reporting requirements.

Tightened Internal Controls

Over the 2018 to 2019 Reporting Year, the Trust has embedded the Trust Improvement Board structure, an internal support and challenge function for holding schools robustly to account for financial, leadership and standards outcomes in line with actions set out in school SEFs, Rapid Action Plans and Budget/Resource/Staffing Plans. The Trust Improvement Board is composed of Executive Leadership Team members and Trustees. Meetings are formally clerked with minutes openly available. The Board use the Trust's Performance Framework to support schools and the Trust Board to monitor and evaluate progress and performance across key operational areas:

- safeguarding, prevent duties and child protection
- teaching and learning
- performance against national age-related expectations
- pupil attendance and exclusions
- admissions and fair access
- pupil behaviour and wellbeing
- alignment with Trust vision, values and improvement priorities
- Ofsted inspection outcomes
- staff professional development and wellbeing
- partnership working with other Trust schools
- partnership working with parents, carers and the community
- compliance
- budget and resource management
- asset management
- health and safety

The impact of the Trust Improvement Board has been significant over the Reporting Year with strong evidence of schools and the Trust working collaboratively to secure school improvement.

Internal organisational structure

Over the Accounting Year the Executive Leadership Team have reviewed the capacity and capability of the Trust's school improvement model. A decision has been made to appoint a

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

Trustees' report for the year ended 31 August 2019 (continued)

full-time Director of School Improvement with an internally seconded team of school improvement leads and practitioners. This will ensure a significant increase in capacity to focus on the monitoring and further raising of standards. All appointees will be in post from January 2020. To support these functions further a Trust Inclusion Lead and Director of Operations have also been seconded on a part-time basis.

Arrangements for setting pay and remuneration of key management personnel

Over the 2018 to 2019 reporting year the Trust has instigated a full Workforce Review across the central Trust and its schools. This has been planned in phases with detailed actions to increase and restructure the Trust's employed infrastructure to ensure fitness for purpose going forwards. Phase One has focussed on the central executive and school improvement teams. As detailed below the following appointments have been reviewed with amended job descriptions and person specifications. Further school improvement appointments will be made early in the Autumn Term 2019 following a robust application and interview process. (See the Table below).

Pre-Review	Post Review	FTE
Chief Finance Officer	Director of Finance	FTE
Governance Lead	Executive Director of Governance and Strategy	0.4FTE
Operations Manager	Director of Privacy and Data Protection	FTE
Assets and Compliance Manager	Director of Estates	FTE

Autumn Term 2019	Appointments to be secured	FTE
School Improvement	Director of School Improvement	FTE
School Improvement	School Improvement Leads x 3	Seconded 0.4 FTE
School Improvement	School Improvement Practitioners x 6	Seconded 0.4 FTE
Inclusion and SEND	Inclusion Lead x 1	Seconded 0.4 FTE
Central Executive Team	Director of Operations	Seconded 0.4 FTE
Central Executive Team	Office Manager	FTE

As part of the Workforce Review full use is being made of the DfE guidance for academy trusts on financial benchmarking and value for money. This ensures the Board uses all available resources efficiently, benchmarking executive team salaries to those paid in similar trusts as a basis for transparency, scrutiny and challenge in line with recent letters from Lord Agnew on executive pay.

In addition, the following value for money criteria continue to be used by Trustees when making appointments:

- economic, efficient and effective use of all the resources in the Trust's charge

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

Trustees' report for the year ended 31 August 2019 (continued)

- avoidance of waste and extravagance
- prudent and economical administration of the organisation
- establishment and maintenance of a transparent system of financial governance
- ensure all financial transactions represent value for money

Trade union facility time

The multi academy trust does not have any relevant union officials during 2018/19.

Related parties and other connected transactions

Details of all related party transactions are disclosed in note 26 to the financial statements.

Procurement

A full OJEU Tendering process has been taking place for the provision of Catering Services to Trust schools. This will be completed in the Autumn Term 2019. The Trust continues to engage the services of drb Schools and Academies Services Ltd to provide financial management services to Trust schools. This work is undertaken based on a clearly defined Service Level Agreement and the services are provided **at cost** and **open book** to ensure Trustees comply with their statutory duties as company directors. However, this contract will cease early in 2020 when the Trust will bring financial services in house.

Trust aims and improvement activity

The Trust has an overarching vision:

'all pupils achieve the highest standard of educational outcomes regardless of circumstance or background'

Over the Accounting Year 2019/20 this has been progressed by:

- beginning implementation of the Workforce Review Strategy
- reviewing and restructuring the capacity of the School Improvement Team
- developing the role of Trust Inclusion Lead
- restructuring the contractual arrangements with the Severn Teaching School Partnership to build greater capacity for external challenge and support
- reviewing arrangements for headteacher performance appraisal
- setting clear expectations and targets for school improvement and pupil progress through termly rapid action planning
- revisiting the Trust's values for educational achievement
- knowing all schools better through the Trust Improvement Board structure and system
- encouraging collaborative effort across schools to drive further financial efficiency and value for money
- developing a high-quality Trust CPD offer for all staff

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

Trustees' report for the year ended 31 August 2019 (continued)

Business Planning

The improvement priorities, strategies and activities of the Trust over the reporting year are set out in the Trust's Annual Strategic Plan.

In 2018/19 the priorities are set out and presented through six strategic workstrands:

1. Workstrand 1: Equalising opportunities for children:

To continually improve pupil progress and standards for all pupils by openly sharing knowledge and learning between schools, building the capacity of staff and holding schools to account for impact.

2. Workstrand 2: School improvement through curriculum consistency and depth:

To continue to develop the Trust's curriculum offer to ensure the learning experiences of all pupils are consistent, broad and balanced.

3. Workstrand 3: Workforce development, recruitment and retention:

To further develop outward facing leadership and professional development strategy through workforce review process that supports talent management and effective recruitment and retention.

4. Workstrand 4: Culture of Safeguarding:

To continue to build a culture of safeguarding across the Trust and its schools and build leading edge practice.

5. Workstrand 5: Financial probity and sustainability:

To continue to improve and refine financial systems to maintain full compliance with the Academies Financial Handbook 2018. To review established systems to make sure they are fit for purpose, efficient and keep the Trust and its schools safe whilst providing value for money.

6. Workstrand 6: Effective partnerships and strong governance:

To continue to build good governance based on purposeful decision making, participation, accountability and transparency.

Significant progress and achievement over the Reporting Year

- Seven schools inspected by Ofsted between September 2018 and June 2019. Five retained an overall judgement of good.
- Further school, Princethorpe Junior School joined Trust.
- Trust Data Protection Officer (DPO) in post to ensure compliance with new GDPR requirements.

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

Trustees' report for the year ended 31 August 2019 (continued)

- Development of online Trustee CPD Programme linked to major accountabilities i.e. finance, governance, safeguarding, GDPR and school improvement.
- Planned School CPD Programme and moderation processes set in line with improvement priorities.
- Children's Safeguarding Boards established in all schools with second Annual Children's Safeguarding Conference taking place in July 2019.
- Newly Qualified Teacher Programme and Programme for teachers in second year of teaching (RQT) in place.
- Middle Leadership Programme established in partnership with Ambition Leadership.

Significant progress and achievement over the Reporting Year (continued)

- Replacement of Pupil Progress Tracking System (SPTO) with improved system INSIGHT.
- Capital works completed to improve safeguarding at a number of Trust schools e.g. electronic entry systems, security gates, perimeter fencing.
- Two schools achieved UNICEF Rights Respecting Schools Silver award

Public benefit and equal opportunities

The Trust is mindful of the guidance on Public Benefit issued by the Charity Commission, and the requirements to comply with current legislation. The Trust will continue to provide education to pupils that:

- is balanced and broadly based
- provides the spiritual, moral, cultural, mental and physical development of all pupils
- prepares pupils for the opportunities, responsibilities and experiences of later life
- promotes, sustains and increases individual and collective knowledge and understanding of learning, motivation and wellbeing
- supports parents and the home learning environment

The Trust remains constantly mindful of its responsibilities to the one Church of England school (Beechwood CE Primary) in the Trust to promote Christian distinctiveness and meet all SIAMs Inspection requirements.

The Trust takes its equality responsibilities seriously. The 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.

Trustees' report for the year ended 31 August 2019 (continued)

2019 School Pupil Performance

2019 improvement priorities:


- % of pupils entering KS1 'school ready' and achieving a good level of development (GLD)
- % of pupils achieving age related expectations at KS1 and KS2
- % of pupils working at greater depth
- Increased rates of pupil progress
- Consistency of teaching quality within and across schools
- Improvement in rates of attendance and reduction in persistent absence
- Decrease in rate of fixed and permanent exclusions

Overall School Performance Table

Name of school	Ofsted category overall judgement	Date last inspection	Ofsted position	Latest external review position
Jervoise School	Good	September 2018	➡	➡
Wychall Primary School	Requires Improvement	May 2018	⬇	↗
Bromley Pensnett Primary School	Good	October 2018	⬆	➡
Beechwood C of E Primary School	Good	May 2019	➡	⬆
Princethorpe Infant School	Good	May 2019	⬆	⬆
Audley Primary School	Requires Improvement	June 2019	⬇	↗
The Oval Primary School	Good	May 2019	⬆	⬆
Hob Green	Good	May 2019	➡	↗

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

Trustees' report for the year ended 31 August 2019 (continued)

Primary School				
Princethorpe Junior School	N/A	N/A		

2019 Performance Data

	Audley	Oval	Pr I	Pr J	Jerv	Wychall	Brom P	Hob G	Bwood	NAT
EYFS										
GLD	74(63)	73(69)	65(66)		70(67)	66(60)	55(43)	71(77)	72(66)	(71)
KS1										
Phonics	74(77)	83(87)	78(72)		80(83)	76(78)	67(85)	83(80)	81(69)	(81)
R	71(67) GD 21	78(71) GD 26	72(74) GD 27		80(80) GD 20 (10)	71(70) GD 18 (18)	62 (73) GD 8	66(81) GD 21	77(74) GD 15	(76) (26)
W	69(64) GD 4	71(64) GD 9	70 (66) GD 12		77(77) GD 16 (10)	70(63) GD 7 (10)	62(70) GD 8	62(78) GD 10	69(74) GD 15	(68) (16)
M	71(70) GD 12	75(72) GD 21	82 (81) GD 20		83(80) GD 20 (10)	64(62) GD 11 (13)	67(76) GD 13	75(78) GD 14	77(74) GD 15	(75) (22)
KS2										
R	54(60) GD 14	83(83) GD 42		53(65) GD 17	55(87) GD 7	67 (49) GD 5	74(81) GD 17	53(52) GD 6	48(57) GD 7	73(75)
W	74(61) GD 8	80(77) GD 17		53(38) GD 2	83(70) GD 17	77 (53) GD 13	71(70) GD 10	80(79) GD 16	79(67) GD 14	78(78)
M	66(57) GD 13	81(85) GD 39		63(47) GD 14	65(87) GD 17	67 (48) GD 16	70(67) GD 7	73(48) GD 0	58(60) GD 3	79(76)
SPAG	66(66) GD 26	85(85) GD 54		60(48) GD 14	72(90) GD 17	65 (64) GD 22	70(59) GD 14	70(67) GD 15	62(67) GD 20	78(78)
Comb	46(39)	72(73)		34(30)	38(70)	56 (34)	59(48)	50(36)	38(40)	64 (64)

2018-19 Financial Performance

Financial key performance indicators:

- Direct costs as a percentage of total costs were 66.5% (2018 : 66.3%)
- Support costs as a percentage of total costs were 33.5% (2018 : 33.7%)
- Total payroll costs as a percentage of recurring income were 81.8% (2018 : 79.4%)

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

Trustees' report for the year ended 31 August 2019 (continued)

Future viability

After making appropriate projections, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence until at least 2021. For this reason, it continues to adopt the *going concern* basis in preparing financial statements. Further details regarding the adoption of the *going concern* basis can be found in the Statement of Accounting Policies.

Financial Oversight

The financial outcomes of Trust are detailed in the following pages. The Trust takes full responsibility for its financial affairs and uses resources efficiently to maximise outcomes for pupils (AFH 2019 Sec 2)

The Board and its committees meet regularly to discharge their responsibilities to ensure effective financial management arrangements (AFH 2019 Sec 2).

The Trust has reviewed its written scheme of delegation in the Accounting Year.

All financial meetings of the Trust Board and its sub-committees are professionally clerked (AFH 2019 Sec 2).

It is considered that the Trust has sound internal controls, risk management and assurance processes in line with Sec 2 of the Academies Financial Handbook 2019. Finances are currently sound and well planned. The Trust's Internal Control are laid down in the Trust's Financial Manual.

The principal funding source to the Trust is Government grant income delivered through the Education, Skills and Funding Agency (ESFA) in line with the Trust's funding agreement. All expenditure of this grant income is planned to fulfil the vision, aim and strategies of the Trust.

During the year ended 31 August 2019 total resources expended were £21,374,760 and the deficit of expenditure over income was £386,254 which included depreciation of £1,174,615.

Reserves Policy

Trustees continually monitor the reserves of the Trust. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and the nature of reserves.

It is Trust Board's general policy to build reserves if possible, which can be used for future educational purposes.

The Trust had total funds at 31 August 2019 of £24,265,328 which included £9,593 restricted funds not available for general purposes of the multi academy trust, £1,215,631 of free reserves defined as unrestricted funds available for general purposes and £39,270,104 which can only be realised by the disposal of tangible fixed assets.

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

Trustees' report for the year ended 31 August 2019 (continued)

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £1,225,224.

In addition, the deficit on the restricted pension fund of £16,230,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Hob Green Primary School, The Bromley – Pensnett Primary School and the Central Trust are carrying net deficits of £206,883, £30,921 and £105,693 respectively on funds before fixed assets and pension reserve. These will be dealt with as described in note 16 to the accounts.

Schools continually utilising surplus funds to set a balanced budget is not appropriate or financially sustainable. To negate this, Trust schools are required to carry forward surplus reserves of at least 5% of their General Annual Grant value within their budgets from one year to the next. Budgeted cumulative surplus for the 2019/20 financial year is estimated to be £1,043,467, projecting 6.91% reserves at 31st August 2019, and a 1.91% above required target.

Investment Policy

The Board has an Investment Policy allowing the Board of Trustees to invest to further the Trust's educational purpose. The Policy supports financial management and the tracking of financial exposure. This maintains a focus on achieving value for money.

In line with Section 2 of the Academies Financial Handbook 2018, the Board:

- Acts within its power as set out in the Articles
- Exercises care and due diligence in investment decisions
- Takes professional advice as appropriate
- Ensures that exposure to investment products is tightly controlled
- Prioritises security of funding over revenue maximisation
- Ensures that any investment decisions are in the best interests of the Trust
- Reviews the Investment Policy and any investments regularly.

The day to day responsibility for managing this function is delegated to the Finance Director.

Principal Risks and Uncertainties

Over the Accounting Year, the Trust Board has maintained a comprehensive Risk Register. This includes contingency and business continuity planning. The Trust uses the Government's Orange Book to support the assessment of any major risks to which the Trust is exposed, in particular those relating to governance, financial management and school improvement. The Trust Board has also established a Risk and Audit Sub-Committee with an annual programme of work (AFH 2018 Section 2.9). The Committee is responsible for providing assurance to the Board over the suitability of, and compliance with, its financial systems and operational controls.

The Board also regularly review the risks schools face in key operational areas including:

- teaching and learning

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

Trustees' report for the year ended 31 August 2019 (continued)

- leadership and management
- financial probity and internal controls
- related party and contentious issues
- governance
- health and safety

The principal financial risk facing the Trust over the accounting period has been the conditions imposed by the ESFA Financial Notice to Improve. These prevented the Trust from growing until the Notice was formally lifted. Without growth the Trust's financial position and three-year trajectory is challenging.

The Local Government Pension 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.

Fundraising

The Trust do not carry out any fundraising practices

Plans for Future Periods

Plans for the future including the aims and key objectives set, are detailed in the Trust aims and Improvement activity and also within Business Planning.

Funds Held as Custodian Trustee on Behalf of Others

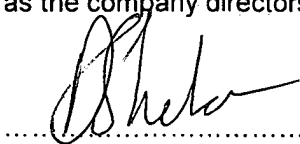
Neither the multi academy trust nor its trustees act as custodian trustee on behalf of others.

Auditor

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a strategic report, was approved by order of the Trust Board, as the company directors, on 17th Dec 2019 and signed on the Board's behalf by:



David Sheldon - Chair of Trustees

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

Annex A - Governance statement for the year ended 31 August 2019 (continued)

Scope of Responsibility

As Trustees of the drb Ignite Multi Academy Trust, we acknowledge we have overall responsibility for ensuring the Trust has effective and appropriate systems of control, financial and otherwise. Such systems are 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.

Following the full Review of Governance and Financial Management undertaken in response to the Financial Notice to Improve in August 2017 all recommendations have been fully met and changes sustained. This is reflected in Audit Reports and recent Ofsted School Inspection outcomes.

The Trust Board delegates day-to-day responsibility for the running of the Trust to the Chief Executive Officer / Accounting Officer (CEO) and Director of Finance (CFO). The Chief Executive Officer (CEO), as Accounting Officer, has full responsibility for ensuring financial controls conform with the requirements of both propriety and good financial management as set out in the Academies Financial Handbook 2018 and in accordance with the requirements and responsibilities assigned to the role in the Funding Agreement between the Trust and the Secretary of State for Education. The Accounting Officer also has responsibility for reporting to the Board any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees Report. The Trust Board has formally met three times during the reporting period. Attendance during this period was as follows:

Trustee Name	Meetings attended
David Sheldon (Chairman)	3
Kevin McCabe (Executive)	2
Viv Randall (Non-executive)	3
Sharon Knight (Non-Executive)	2
Cheryl Millard (Non-executive)	2
Ian Swain (Non-executive)	2
Catherine Gallagher (Non-executive)	2
Martin Jackson (Non-Executive)	2
Bernard Peters (Non-executive)	2
David Peters (Non-Executive) – appointed 31 st August 2019	2

Changes to the composition of the Trust Board

David Peters was appointed as a new trustee to the Board with effect from 31st August 2019.

Annex A - Governance statement for the year ended 31 August 2019 (continued)

Achieving value for money and coverage of work by Trustees

The purpose of this section is to demonstrate to all stakeholders that the Trust's use of public assets has supported the advancement of education for the pupils in the care of the Trust and provided value for money during the year. An ongoing Trustee objective, alongside the Trust's core purpose of raising educational standards, is to achieve value for money not only for the Trust itself but also for the taxpayer more generally. The intention of Trustees is to continuously improve both the educational and wider wellbeing outcomes for all pupils within the resources currently available.

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

Over the Reporting Year, the Accounting Officer has considered how the Trust's use of resources has provided good value for money and supported the raising of educational standards across all Trust Schools. Although Trust Schools are not universally meeting nationally benchmarked standards for reading, writing and mathematics at Key Stage 2, the Trust is able to demonstrate year on year improvement. Except for reading at the end of Key Stage 2, data indicates that outcomes have improved or previous improvements have been maintained. This includes at the end of early years, Key Stage 1 and Key Stage 2. Trustees are very clear that *standards are not there yet* and improving outcomes for all pupils is a top priority. Trustees are also aware that while at a trust-wide level there have been improvements, there remains volatility in how well pupils are achieving in individual schools. This has been partly due to a history of staffing instability in some schools. Trustees and leaders have largely addressed the staffing issues. Most schools now have a permanent staff team in place.

Currently, the inspection outcomes for the Trust's schools are as follows:

- six schools are judged to be good
- two schools are judged to require improvement
- one school is yet to be inspected since joining the Trust.

Termly Reports have been provided to the Trust Board and the Risk and Audit Committee highlighting where value for money has been improved, including benchmarked data where appropriate. The Accounting Officer has worked to deliver improved value for money during the period as exemplified through the full OEJU procurement process completed for provision of catering services to the Trust. Members of the Risk and Audit Committee have also visited schools to review capital works, health and safety and safeguarding arrangements. Over the reporting year this has included reviewing security and access arrangements.

Areas of Trustee self-review over the accounting year

Over the accounting year the Trust Board has continued to evaluate its performance and effectiveness. An internal review of local governance arrangements was conducted in July 2019. This found that local oversight of schools required strengthening. This has resulted in planned and implemented improvements in the following areas:

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

Annex A - Governance statement for the year ended 31 August 2019 (continued)

- the quality and range of performance data presented to the Trust Board
- the depth of knowledge Trustees have about Trust schools. This has been facilitated by an increase in the number of *learning walks* made by Trustees in schools
- Knowledge and understanding of GDPR requirements. All Trustees have completed an online GDPR Training Module
- the quality of financial reporting to the Trust Board
- changes to local governance from Executive Governance Groups to Academy Councils

Areas for future focus over 2020 include

- Considering the potential to achieve improved value for money through further shared purchasing and procurement approaches to include special needs support services, utilities and IT equipment
- Commencing Phase 2 of Workforce Review
- Bringing all financial support services in house
- Full review of Trust Risk Register processes
- Implementing the revised local governance structure of Academy Councils.

Next Trust Board Review

The Trust Board intends to conduct its next review, which will be commissioned externally in June 2020

Internal Controls

The Trust's systems of internal financial controls and Trust Improvement Board arrangements are designed to manage risk to an acceptable level recognising that it is difficult to eliminate all risk of failure to achieve policies, aims and objectives. Trustees can therefore only provide reasonable and not absolute assurance of effectiveness. The Trust's systems of internal control are based on processes designed to identify and prioritise significant risks to the achievement of the Trust's Strategic Plan priorities, to evaluate the likelihood of those risks being realised, the impact should they be realised, and the actions required to manage them efficiently, effectively and economically.

Capacity to handle risk

The Trust Board has a robust Risk Register which is presented at every Board meeting and monitored by the Risk and Audit Sub Committee. Risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks are fully discussed. The Board is of the view that there has been a formal, robust and on-going process for identifying, evaluating and managing the Trust's significant risks that in place for the Accounting period and up to the date of approval of the annual report and financial statements. They will also conduct a full review of risk reporting and mitigation systems and processes early in 2020.

Risk and Control Framework

The Trust's system of internal financial control is based on 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 2018.

Annex A - Governance statement for the year ended 31 August 2019 (continued)

It includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are monitored through the Trust Improvement Board process before review and sign off by the Trust Board
- regular reviews by the Finance, Risk and Audit Sub-Committees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting Trust and individual school 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
- delegation of authority and segregation of duties

Over the Accounting period, the Trust Board has continued to use Bishop Fleming Ltd to provide an internal audit function to provide an independent oversight of the Trust's affairs.

The main duties of the internal audit function are to provide the Trust with on-going independent assurance of:

- **Compliance:** review and assessment of how the Trust is addressing Annex 'C' MUSTS as per the Academies Financial Handbook 2018, of the Fraud Policy and attitude to fraud, and how the Trust is addressing the Charity Commission CC8 checklist;
- **Strategic:** review and assessment of the Business Continuity Plan and Risk Register, segregation of duties and scheme of delegation, succession planning, compliance visit reports and progress against recommendations, budgets, management accounts and reporting process and Board minutes;
- **Governance:** progress against prior year Management Letter and prior period Internal Assurance Report, ensure website up to date and includes all relevant documents, ensure proper convening of Board Meetings and that they are quorate, ensure appointments / resignations of trustees are updated on Companies House and Edubase, assessment of the related / connected party policy and ensuring all declarations of interest are received and a register of interests updated; and
- **Transactional:** testing over purchases, bank, credit cards, capital works, tendering, payroll, income, and IT procedures

On a termly basis, the Bishop Fleming LLP Internal Audit Function reports are presented to the Trust Board.

Review of Effectiveness

As Accounting Officer, Robert Bowater (Chief Executive Officer), has responsibility for reviewing the effectiveness of the systems of internal control. During the Accounting period review activity has been informed by:

- the work of the internal reviewer
- the work of the external auditor

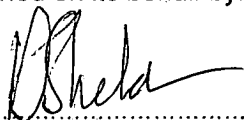
drb Ignite Multi Academy Trust
(A Company Limited by Guarantee)

Annex A - Governance statement for the year ended 31 August 2019 (continued)

- the work of the executive leadership team within the Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Trustees on 17th Dec 2019 and signed on its behalf by:



David Sheldon
Chair of Trustees



Robert Bowater
Accounting Officer

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

Annex B - Statement of regularity, propriety and compliance for the year ended 31 August 2019

As accounting officer of drb Ignite Multi Academy Trust I have considered my responsibility to notify the multi academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the multi academy trust, 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 2018.

I confirm that I and the multi academy trust board of trustees 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 2018.

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



Robert Bowater – Accounting Officer

1st December 2019

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

Annex C - Statement of Trustees' Responsibilities for the year ended 31 August 2019

The Trustees (who act as governors of drb Ignite Multi Academy Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

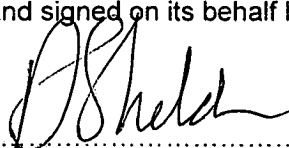
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 17th Dec
2019 and signed on its behalf by:



..... David Sheldon – Chair of Trustees

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

Opinion

We have audited the financial statements of drb Ignite Multi Academy Trust (the 'Multi Academy trust') for the period ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements :

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019

Basis for opinion

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

Conclusions relating to going concern

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

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

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
(continued)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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
(continued)

Responsibilities for the financial statements

As explained more fully in the trustees' responsibilities statement (set out on page 23), 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Multi Academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Multi Academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Multi Academy trust to cease to continue as a going concern.

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
(continued)

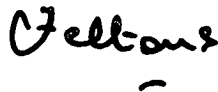
Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 the Multi Academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

19 December 2019

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

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

In accordance with the terms of our engagement letter dated 23 June 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by drb Ignite Multi Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to drb Ignite Multi Academy Trust and ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than drb Ignite Multi Academy Trust and ESFA, 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 Leigh Trust and the Education & Skills 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 year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

19 December 2019

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

Statement of financial activities for the year ended 31 August 2019
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2018/19 £	Total 2017/18 £
Income from :							
Donations and capital grants	2	24,741	-	-	567,012	591,753	456,579
Transfer from local authority on conversion	3	106,919	(1,102,000)	-	2,176,318	1,181,237	(193,754)
Charitable activities :	4						
Funding for the academy trust's educational operations		347,336	-	18,818,011	-	19,165,347	18,586,034
Other trading activities	5	48,623	-	-	-	48,623	41,340
Investments	6	1,546	-	-	-	1,546	1,710
Total		529,165	(1,102,000)	18,818,011	2,743,330	20,988,506	18,891,909
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	7	765,525	813,000	18,610,929	1,174,615	21,364,069	20,930,510
Other costs on conversion		-	-	10,691	-	10,691	-
Total		765,525	813,000	18,621,620	1,174,615	21,374,760	20,930,510
Net income/(expenditure) before transfers		(236,360)	(1,915,000)	196,391	1,568,715	(386,254)	(2,038,601)
Transfers between funds	16	-	-	(194,847)	194,847	-	-
Net income/(expenditure) after transfers		(236,360)	(1,915,000)	1,544	1,763,562	(386,254)	(2,038,601)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	16, 25	-	(2,615,000)	-	-	(2,615,000)	2,431,000
Net movement in funds		(236,360)	(4,530,000)	1,544	1,763,562	(3,001,254)	392,399
Reconciliation of funds							
Total funds brought forward	17	1,451,991	(11,700,000)	8,049	37,506,542	27,266,582	26,874,183
Total funds carried forward		1,215,631	(16,230,000)	9,593	39,270,104	24,265,328	27,266,582

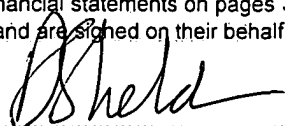
All of the Academy's activities derive from continuing operations during the above two financial periods.

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

Company number : 09284055
Balance sheet as at 31 August 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13		39,032,642		37,245,897
Current assets					
Debtors	14	748,153		788,760	
Cash at bank and in hand		<u>2,518,958</u>		<u>2,406,085</u>	
		3,267,111		3,194,845	
Liabilities					
Creditors: amounts falling due within one year	15(a)	<u>1,610,031</u>		<u>1,272,632</u>	
Net current assets			1,657,080		1,922,213
Total assets less current liabilities			<u>40,689,722</u>		<u>39,168,110</u>
Creditors: amounts falling due after more than one year	15(b)		(194,394)		(201,528)
Net assets excluding pension liability			40,495,328		38,966,582
Defined benefit pension scheme liability	25		(16,230,000)		(11,700,000)
Total net assets			<u><u>24,265,328</u></u>		<u><u>27,266,582</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	16	39,270,104		37,506,542	
Restricted income fund	16	9,593		8,049	
Pension reserve	16	<u>(16,230,000)</u>		<u>(11,700,000)</u>	
Total restricted funds			23,049,697		25,814,591
Unrestricted income funds	16		1,215,631		1,451,991
Total funds			<u><u>24,265,328</u></u>		<u><u>27,266,582</u></u>

The financial statements on pages 30 to 53 were approved by the trustees, and authorised for issue on 17th Dec 2019 and are signed on their behalf by:



David Sheldon - Chair of Trustees

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

Statement of cash flows for the year ended 31 August 2019

	Notes	2018/19 £	2017/18 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	20	229,882	(131,838)
Cash transferred on conversion to academy trust		106,919	-
Cash flows from investing activities	21	(216,484)	(274,737)
Cash flows from financing activities	22	(7,444)	(8,814)
		<u>112,873</u>	<u>(415,389)</u>
Cash and cash equivalents at 1 September 2018		2,406,085	2,821,474
Cash and cash equivalents at 31 August 2019	23	<u>2,518,958</u>	<u>2,406,085</u>

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

Notes to the financial statements for the year ended 31 August 2019

1. Accounting policies

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

Basis of preparation

The financial statements of the multi academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 year 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 year 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 year is deducted from income and recognised as a liability.

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

- **Donations**

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

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

1. Accounting policies (continued)

Income (continued)

- **Other income**
Other income, including the hire of facilities, is recognised in the year 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.

Expenditure

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

- **Expenditure on 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.

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

1. Accounting policies (continued)

Tangible fixed assets (continued)

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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long leasehold buildings	: straight line over 50 years
Fittings and equipment	: 15% straight line
Computer hardware	: 20 - 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 and reclassified to freehold or leasehold land and buildings.

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial instruments

The academy trust only holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows :

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Leased assets

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

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

1. Accounting policies (continued)

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 academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 year 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.

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

1. Accounting policies (continued)

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 & Skills 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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Capital grants	-	-	567,012	567,012	421,891
Other donations	24,741	-	-	24,741	34,688
	<u>24,741</u>	<u>-</u>	<u>567,012</u>	<u>591,753</u>	<u>456,579</u>
2018 total	<u>34,688</u>	<u>-</u>	<u>421,891</u>	<u>456,579</u>	

3. Transfer from local authority on conversion

	Unrestricted funds £	Restricted pension funds £	Restricted fixed asset funds £	Total 2018/19 £	Total 2017/18 £
Fixed assets	-	-	2,176,318	2,176,318	-
Other assets/(liabilities)	10,449	-	-	10,449	(193,754)
Surplus/(deficit) on LA funds	96,470	-	-	96,470	-
LGPS pension deficit	-	(1,102,000)	-	(1,102,000)	-
	<u>106,919</u>	<u>(1,102,000)</u>	<u>2,176,318</u>	<u>1,181,237</u>	<u>(193,754)</u>

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

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	14,750,614	-	14,750,614	14,285,238
Other DfE Group grants	-	2,788,270	-	2,788,270	2,562,796
Start up grants	-	70,000	-	70,000	-
	<u>-</u>	<u>17,608,884</u>	<u>-</u>	<u>17,608,884</u>	<u>16,848,034</u>
Other government grants					
Local authority grants	-	1,089,690	-	1,089,690	1,213,105
Other government funding	-	-	-	-	83,348
	<u>-</u>	<u>1,089,690</u>	<u>-</u>	<u>1,089,690</u>	<u>1,296,453</u>
Other income from the academy trust's educational operations					
	347,336	119,437	-	466,773	441,547
	<u>347,336</u>	<u>1,209,127</u>	<u>-</u>	<u>1,556,463</u>	<u>1,738,000</u>
	<u>347,336</u>	<u>18,818,011</u>	<u>-</u>	<u>19,165,347</u>	<u>18,586,034</u>
2018 total	<u>441,547</u>	<u>18,144,487</u>	<u>-</u>	<u>18,586,034</u>	

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

5. Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	48,623	-	48,623	41,340
Miscellaneous	-	-	-	-
	<u>48,623</u>	<u>-</u>	<u>48,623</u>	<u>41,340</u>
2018 total	<u>41,340</u>	<u>-</u>	<u>41,340</u>	

6. Investment income

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	1,546	-	1,546	1,710
	<u>1,710</u>	<u>-</u>	<u>1,710</u>	
2018 total	<u>1,710</u>	<u>-</u>	<u>1,710</u>	

7. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2018/19 Total £	2017/18 Total £
Academy's educational operations					
Direct costs	12,238,401	787,122	1,186,692	14,212,215	13,872,826
Allocated support costs	3,961,267	1,026,233	2,164,354	7,151,854	7,057,684
	<u>16,199,668</u>	<u>1,813,355</u>	<u>3,351,046</u>	<u>21,364,069</u>	<u>20,930,510</u>
2018 total	<u>15,148,674</u>	<u>1,866,803</u>	<u>3,915,033</u>	<u>20,930,510</u>	

Net income/(expenditure) for the period includes :

		2018/19 £	2017/18 £
Operating leases	- plant and machinery	16,744	60,874
	- other	33,488	25,858
Depreciation		1,174,615	1,087,528
Interest paid on equal pay loan		4,653	663
Fees payable to auditor	- audit	27,750	25,000
	- other services	-	4,275

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

8. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2018/19 Total £	2017/18 Total £
Educational operations					
Direct costs	224,676	-	13,987,539	14,212,215	13,872,826
Support costs	540,849	813,000	5,798,005	7,151,854	7,057,684
	<u>765,525</u>	<u>813,000</u>	<u>19,785,544</u>	<u>21,364,069</u>	<u>20,930,510</u>
2018 total	<u>506,545</u>	<u>770,000</u>	<u>19,653,965</u>	<u>20,930,510</u>	
Analysis of support costs					
Support staff costs	-	813,000	3,148,267	3,961,267	3,646,736
Depreciation	-	-	387,493	387,493	193,973
Technology costs	-	-	6,177	6,177	1,800
Premises costs	18,500	-	700,025	718,525	897,223
Other support costs	522,349	-	1,530,459	2,052,808	2,287,350
Governance costs	-	-	25,584	25,584	30,602
Total support costs	<u>540,849</u>	<u>813,000</u>	<u>5,798,005</u>	<u>7,151,854</u>	<u>7,057,684</u>
2018 total	<u>305,260</u>	<u>770,000</u>	<u>5,982,424</u>	<u>7,057,684</u>	

9. Staff

a) Staff costs

Staff costs during the year were:

	2018/19 £	2017/18 £
Wages and salaries	10,957,672	10,085,846
Social security costs	997,664	940,543
Pension costs	3,151,281	2,894,539
	<u>15,106,617</u>	<u>13,920,928</u>
Agency staff costs	1,093,051	1,227,746
	<u>16,199,668</u>	<u>15,148,674</u>

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

9. Staff (continued)

b) Staff numbers

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

	2018/19 Number	2017/18 Number
Teachers	184	171
Administration and support	339	310
Management	6	5
	<u>529</u>	<u>486</u>

c) Higher paid staff

	2018/19 Number	2017/18 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	6	7
£70,001 - £80,000	6	2
£80,001 - £90,000	2	1
£90,001 - £100,000	-	2
£100,001 - £110,000	-	1
£110,001 - £120,000	<u>1</u>	<u>-</u>

d) 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 and employer national insurance contributions) received by key management personnel for their services to the multi academy trust was £445,362 (2018 : £419,067).

10. Central services

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

Category	Basis
Audley Primary School	4% of general annual grant
Beechwood Church of England Primary School	5% of general annual grant
Hob Green Primary School	4% of general annual grant
Jervoise School	4% of general annual grant
Princethorpe Infant School	4% of general annual grant
Princethorpe Junior School	5% of general annual grant
The Bromley - Pensnett Primary School	5% of general annual grant
The Oval School	4% of general annual grant
Wychall Primary School	5% of general annual grant

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

10. Central services (continued)

The actual amounts charged during the year were as follows :

	2018/19 £	2017/18 £
Audley Primary School	155,466	156,443
Beechwood Church of England Primary School	49,801	56,077
Hob Green Primary School	41,520	40,099
Jervoise School	41,336	42,062
Princethorpe Infant School	38,451	38,318
Princethorpe Junior School	29,841	-
The Oval School	112,633	112,688
The Bromley - Pensnett Primary School	50,688	60,954
Wychall Primary School	102,097	95,670
	<u>621,833</u>	<u>602,311</u>

11. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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 :

Kevin McCabe (staff trustee)		
Remuneration	£60,000 - £65,000 (2018 : £90,000 - £95,000)	
Employer's pension contributions paid	£nil (2018 : £10,000 - £15,000)	

During the year ended 31 August 2019, travel and subsistence expenses totalling £449 (2018 : £1,931) were reimbursed or paid directly to four (2018 : four) trustees.

12. Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

13. Tangible fixed assets

	Assets under construction £	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Cost or valuation					
At 1 September 2018	28,092	37,862,740	736,788	1,012,588	39,640,208
Transfer on conversion	-	2,162,000	2,404	11,914	2,176,318
Additions	-	521,292	170,075	93,675	785,042
Transfer of assets	(28,092)	28,092	-	-	-
At 31 August 2019	-	40,574,124	909,267	1,118,177	42,601,568
Depreciation					
At 1 September 2018	-	1,722,177	213,131	459,003	2,394,311
Charge for the year	-	786,289	127,276	261,050	1,174,615
At 31 August 2019	-	2,508,466	340,407	720,053	3,568,926
Net book values					
At 31 August 2019	-	38,065,658	568,860	398,124	39,032,642
At 31 August 2018	28,092	36,140,563	523,657	553,585	37,245,897

Leasehold property's were valued by The Valuation Office Agency – DVS on the following dates:

- 1 October 2015
- 1 April 2016
- 1 September 2016
- 1 October 2016
- 1 November 2016
- 1 March 2019

Fittings and equipment and computer hardware were valued as at the same dates by the Trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2019 is represented by :

	Assets under construction £	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Valuation in 2016	-	15,741,090	169,290	248,630	16,159,010
Valuation in 2017	-	20,703,601	279,519	542,303	21,525,423
Valuation in 2019	-	2,162,000	2,404	11,914	2,176,318
Cost	-	1,967,433	458,054	315,330	2,740,817
	-	40,574,124	909,267	1,118,177	42,601,568

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

14. Debtors

	2019 £	2018 £
Debtors from operations	19,599	915
VAT recoverable	112,524	110,824
Prepayments and accrued income	616,030	631,622
Other debtors	-	45,399
	<u>748,153</u>	<u>788,760</u>

15. Creditors

	2019 £	2018 £
(a) Amounts falling due within one year :		
Creditors from operations	3,103	51,242
Accruals and deferred income	754,225	860,624
Other creditors	844,199	351,952
Loans	8,504	8,814
	<u>1,610,031</u>	<u>1,272,632</u>
Deferred income		
Deferred income at 1 September 2018	209,221	301,957
Resources deferred in the year	179,958	209,221
Amounts released from previous years	(209,221)	(301,957)
Deferred income at 31 August 2019	<u>179,958</u>	<u>209,221</u>

At the balance sheet date the multi academy trust was holding funds received in advance for the provision of universal infant free school meals and other amounts relating to the period after the balance sheet date.

	2019 £	2018 £
(b) Amounts falling due after more than one year :		
Other creditors	<u>194,394</u>	<u>201,528</u>

Other creditors due after more than one year represents two loans from Dudley Metropolitan Borough Council repayable in yearly instalments. The loans are charged at the following annual interest rates; Authority's actual General Fund Borrowing Rate (currently approximately 2.4%) and 2.5%. The amount repayable after more than five years is £160,378 (2018 : £166,272). The amount due within one year is shown in note 15(a).

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

16. Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	218,391	14,750,614	(14,549,570)	(206,944)	212,491
Pupil premium	-	2,183,042	(2,183,042)	-	-
LA (deficit) on conversion	(210,342)	-	(4,653)	12,097	(202,898)
Other grants	-	1,884,355	(1,884,355)	-	-
	<u>8,049</u>	<u>18,818,011</u>	<u>(18,621,620)</u>	<u>(194,847)</u>	<u>9,593</u>
Restricted fixed asset funds					
Transfer on conversion	35,460,782	2,176,318	(1,004,818)	-	36,632,282
DfE Group capital grants	1,493,690	567,012	(93,277)	-	1,967,425
Capital expenditure from GAG	485,376	-	(70,752)	194,847	609,471
Other capital grants	45,861	-	(3,226)	-	42,635
From unrestricted funds	20,833	-	(2,542)	-	18,291
	<u>37,506,542</u>	<u>2,743,330</u>	<u>(1,174,615)</u>	<u>194,847</u>	<u>39,270,104</u>
Pension reserve	<u>(11,700,000)</u>	<u>(1,102,000)</u>	<u>(813,000)</u>	<u>(2,615,000)</u>	<u>(16,230,000)</u>
Total restricted funds	<u>25,814,591</u>	<u>20,459,341</u>	<u>(20,609,235)</u>	<u>(2,615,000)</u>	<u>23,049,697</u>
Unrestricted funds					
Transfer on conversion	-	106,919	(106,919)	-	-
Other income	1,451,991	422,246	(658,606)	-	1,215,631
Total unrestricted funds	<u>1,451,991</u>	<u>529,165</u>	<u>(765,525)</u>	<u>-</u>	<u>1,215,631</u>
Total funds	<u>27,266,582</u>	<u>20,988,506</u>	<u>(21,374,760)</u>	<u>(2,615,000)</u>	<u>24,265,328</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 & Skills Funding Agency and Birmingham City Council and Dudley Metropolitan 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 2019.

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 & Skills Funding Agency and Birmingham City Council and Dudley Metropolitan Council where the asset acquired or created is held for a specific purpose.

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

16. Funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	30,530	12,143,694	(12,560,134)	604,301	218,391
Pupil premium	-	2,141,544	(2,141,544)	-	-
Other DfE Group Grants	-	2,562,796	(2,562,796)	-	-
LA (deficit) on conversion	(25,402)	(193,754)	(5,510)	14,324	(210,342)
Other grants	-	1,296,453	(1,296,453)	-	-
	<u>5,128</u>	<u>17,950,733</u>	<u>(18,566,437)</u>	<u>618,625</u>	<u>8,049</u>
Restricted fixed asset funds					
Transfer on conversion	36,442,310	-	(981,528)	-	35,460,782
DfE Group capital grants	1,126,998	421,891	(55,199)	-	1,493,690
Capital expenditure from GAG	300,175	-	(46,174)	231,375	485,376
Other capital grants	9,670	-	(2,792)	38,983	45,861
From unrestricted funds	38,983	-	(1,835)	(16,315)	20,833
	<u>37,918,136</u>	<u>421,891</u>	<u>(1,087,528)</u>	<u>254,043</u>	<u>37,506,542</u>
Pension reserve	<u>(13,361,000)</u>	<u>-</u>	<u>(770,000)</u>	<u>2,431,000</u>	<u>(11,700,000)</u>
Total restricted funds	<u>24,562,264</u>	<u>18,372,624</u>	<u>(20,423,965)</u>	<u>3,303,668</u>	<u>25,814,591</u>
Unrestricted funds					
Other income	2,311,919	519,285	(506,545)	(872,668)	1,451,991
Total unrestricted funds	<u>2,311,919</u>	<u>519,285</u>	<u>(506,545)</u>	<u>(872,668)</u>	<u>1,451,991</u>
Total funds	<u>26,874,183</u>	<u>18,891,909</u>	<u>(20,930,510)</u>	<u>2,431,000</u>	<u>27,266,582</u>

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows :

	2018/19 Total £	2017/18 Total £
Audley Primary School	87,576	290,663
Beechwood Church of England Primary School	335,110	313,399
Hob Green Primary School	(206,883)	(143,718)
Jervoise School	250,387	271,225
Princethorpe Infant School	173,631	133,924
Princethorpe Junior School	119,530	-
The Oval School	496,470	420,970
The Bromley - Pensnett Primary School	(30,921)	12,808
Wychall Primary School	106,017	296,657
Central Trust	(105,693)	(135,888)
Total before fixed assets and pension reserve carried forward	<u>1,225,224</u>	<u>1,460,040</u>
Restricted fixed asset fund	39,270,104	37,506,542
Pension reserve	(16,230,000)	(11,700,000)
Total funds	<u>24,265,328</u>	<u>27,266,582</u>

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

16. Funds (continued)

Hob Green Primary School is carrying a net deficit of £206,883 on funds before fixed assets and pension reserve due to the Equal Pay Loan which has been transferred to the academy on conversion from Dudley MBC.

The total loan is payable on a 4% reducing basis over 25 years, in which the yearly repayment is factored in the school budget each financial year. The Trust is working closely with the school to monitor the budget/ future year projections.

The Bromley - Pensnett Primary School is carrying a net deficit of £30,921 on funds before fixed assets and pension reserve due to the school running a historic 1.5 form entry PAN, the difference in pupil numbers across the school years have caused higher staffing costs. The Trust has now applied for the PAN to be reduced to a 1 form entry school. This will reduce the excess staffing costs once the 0.5 entry has flushed through the school.

The Trust is working closely with the school to monitor the budget / future year projections.

The Central Trust is carrying a net deficit of £105,693 on funds before fixed assets and pension reserve due to the full time salaries being brought in to the central trust since the FNTI. The Trust has a strategic plan in place to reduce this balance annually.

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) £	2018/19 Total £
Audley Primary School	3,269,460	844,199	114,689	747,771	4,976,119
Beechwood Church of England Primary School	717,295	129,522	27,879	236,422	1,111,118
Hob Green Primary School	1,139,479	373,724	48,641	282,047	1,843,891
Jervoise School	895,684	289,233	25,105	259,188	1,469,210
Princethorpe Infant School	786,185	292,289	17,122	206,301	1,301,897
Princethorpe Junior School	429,811	246,319	11,139	84,622	771,891
The Oval School	2,175,976	610,396	71,192	611,000	3,468,564
The Bromley - Pensnett Primary School	1,031,108	281,706	68,486	254,501	1,635,801
Wychall Primary School	1,793,403	448,517	90,830	498,563	2,831,313
Central Trust	-	445,362	-	344,979	790,341
Academy trust	12,238,401	3,961,267	475,083	3,525,394	20,200,145
2018 total	11,501,938	3,646,736	585,449	4,108,859	19,842,982

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

17. Analysis of net assets between funds

Fund balances at 31 August 2019
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	39,032,642	39,032,642
Current assets	1,215,631	-	1,814,018	237,462	3,267,111
Current liabilities	-	-	(1,610,031)	-	(1,610,031)
	1,215,631	-	203,987	39,270,104	40,689,722
Creditors due after one year	-	-	(194,394)	-	(194,394)
Pension scheme liability	-	(16,230,000)	-	-	(16,230,000)
Total net assets	1,215,631	(16,230,000)	9,593	39,270,104	24,265,328

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

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	37,245,897	37,245,897
Current assets	1,451,991	-	1,482,209	260,645	3,194,845
Current liabilities	-	-	(1,272,632)	-	(1,272,632)
	1,451,991	-	209,577	37,506,542	39,168,110
Creditors due after one year	-	-	(201,528)	-	(201,528)
Pension scheme liability	-	(11,700,000)	-	-	(11,700,000)
Total net assets	1,451,991	(11,700,000)	8,049	37,506,542	27,266,582

18. Capital commitments

	2019 £	2018 £
Contracted for but not provided in the financial statements	171,000	99,000

19. Commitments under operating leases

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

	Land and buildings		Other	
	Total 2019 £	Total 2018 £	Total 2019 £	Total 2018 £
Amounts due within one year	34,248	-	37,687	64,717
Amounts due between one and five years	-	-	20,968	26,503
	34,248	-	58,655	91,220

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

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

	2018/19 Total £	2017/18 Total £
Net income/(expenditure) for reporting year (as per the SoFA)	(386,254)	(2,038,601)
Adjusted for :		
Depreciation (note 13)	1,174,615	1,087,528
Capital grants from DfE and other capital income	(567,012)	(421,891)
Cash transferred on conversion to multi academy trust (note 3)	(106,919)	-
Assets transferred on conversion to multi academy trust (note 3)	(2,176,318)	-
Loan deficit inherited on conversion to multi academy trust	-	193,754
Interest receivable (note 6)	(1,546)	(1,710)
Defined benefit pension scheme obligation inherited	1,102,000	-
Defined benefit pension scheme cost less contributions payable (note 25)	501,000	436,000
Defined benefit pension scheme finance cost/(income) (note 25)	312,000	334,000
(Increase) / decrease in debtors	40,607	274,485
Increase in creditors	337,709	4,597
Net cash provided by / (used in) operating activities	229,882	(131,838)

21. Cash flows from investing activities

	2018/19 Total £	2017/18 Total £
Interest received	1,546	1,710
Purchase of tangible fixed assets	(785,042)	(698,338)
Capital grants from DfE Group	567,012	421,891
Capital funding from others	-	-
Net cash provided by / (used in) investing activities	(216,484)	(274,737)

22. Cash flows from financing activities

	2018/19 Total £	2017/18 Total £
Loan repayments in period	(7,444)	(8,814)
Net cash provided by / (used in) investing activities	(7,444)	(8,814)

23. Analysis of cash and cash equivalents

	At 31 August 2019 £	At 31 August 2018 £
Cash at bank and in hand	2,518,958	2,406,085
	2,518,958	2,406,085

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

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.

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 year ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £256,123 (2018 : £11,737) were payable to the schemes at 31 August 2019 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' 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.

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

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

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

25. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The employer's pension costs paid to TPS in the year amounted to £1,000,402 (2018 : £911,028).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,508,000 (2018 : £1,337,000), of which employer's contributions totalled £1,276,000 (2018 : £1,122,000) and employees' contributions totalled £232,000 (2018 : £215,000). The agreed contribution rates for future years are between 17.4% and 22.2% for employers and between 5.5% and 11.4% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 32 years.

Principal actuarial assumptions

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.70%	3.80%
Rate of increase for pensions in payment / inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.90%	2.68%
Inflation assumption (CPI)	2.20%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	In life expectancy
	£'000s	+ 0.1% pa £'000s	+ 0.1% pa £'000s	+ 1 year £'000s
Present value of total obligation	23,703	23,055	24,252	24,562
Projected service cost	1,784	1,735	1,833	1,847
	£'000s	- 0.1% pa £'000s	- 0.1% pa £'000s	- 1 year £'000s
Present value of total obligation	23,703	24,371	23,171	22,877
Projected service cost	1,784	1,834	1,736	1,722

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

Notes to the financial statements for the year ended 31 August 2019 (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 2019	At 31 August 2018
Retiring today		
Males	20.9	21.9
Females	23.2	24.4
Retiring in 20 years		
Males	22.6	24.1
Females	25.1	26.7

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

	31 August 2019	31 August 2018
	£	£
Equities	4,495,000	3,602,000
Government bonds	708,000	410,000
Other bonds	282,000	210,000
Property	609,000	461,000
Cash/liquidity	270,000	214,000
Other	1,109,000	795,000
Total market value of assets	7,473,000	5,692,000

The actual return on scheme assets was £413,000 (2018 : £58,000).

	2018/19 £	2017/18 £
Amount recognised in the statement of financial activities		
Current service cost	1,776,000	1,522,000
Net interest cost	312,000	334,000
Administration expenses	1,000	-
Total amount recognised in the SOFA	2,089,000	1,856,000

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

	2018/19 £	2017/18 £
At 1 September 2018	17,392,000	17,780,000
Conversion of academy trusts	1,102,000	-
Current service cost	1,439,000	1,522,000
Interest cost	483,000	464,000
Employee contributions	232,000	213,000
Changes in financial assumptions	3,882,000	(2,503,000)
Changes in demographic assumptions	(1,025,000)	-
Past service costs, including curtailments	337,000	-
Benefits paid	(139,000)	(84,000)
At 31 August 2019	23,703,000	17,392,000

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

25. Pension and similar obligations (continued)

Changes in the fair value of academy's share of scheme assets were as follows :	2018/19	2017/18
	£	£
At 1 September 2018	5,692,000	4,419,000
Interest income	171,000	130,000
Return on assets less interest	242,000	(72,000)
Employer contributions	1,276,000	1,086,000
Employee contributions	232,000	213,000
Benefits paid	(139,000)	(84,000)
Administration expenses	(1,000)	-
At 31 August 2019	7,473,000	5,692,000
Net pension scheme liability	(16,230,000)	(11,700,000)

26. Related party transactions

Owing to the nature of the 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 relating to connected and related party transactions.

The following related party transactions took place during the year:

Expenditure related party transaction

drb Schools and Academies Limited

A company in which Robert Bowater (CEO) has a direct interest	2019 £	2018 £
Services recharged by related company during the period	75,717	188,777

The trust conducted these transactions at arms' length following a competitive tendering exercise carried out in the previous year in accordance with its financial regulations, which Robert Bowater neither participated in, nor influenced.

The above services have been provided at no more than cost and the related party has provided a statement of assurance confirming this.

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2018.