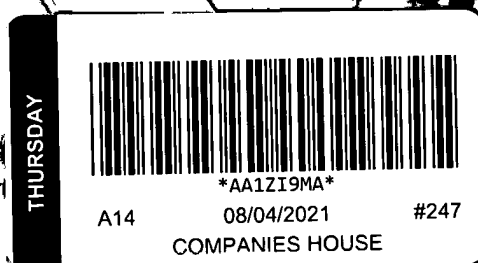


Annual Financial Report

2019 - 2020



Outstanding
pupil experience

Excellence
in education

Impactful
teaching

Effective
partnerships



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

Report and Financial Statements
for the year ended 31 August 2020

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Reference and Administrative Details

Members:

Name	Appointed / Resigned
David Sheldon	Appointed - 17 July 2018
John McDermott	Appointed - 31 August 2017
Worcester Diocesan Academies Trust	Appointed - 31 August 2017
Martin Jackson	Resigned – 3 July 2020
Vacancy	

Trustees:

Name	Appointed / Resigned
David Sheldon (Chair)	Appointed – 31 August 2017
Viv Randall (Vice Chair)	Appointed - 6 July 2015
Kevin McCabe	Appointed - 14 January 2015
Cheryl Millard	Appointed - 6 July 2015
Ian Swain	Appointed - 31 August 2017 Resigned – 18 December 2020
Catherine Gallagher	Appointed - 31 August 2017
David Peters	Appointed – 8 July 2019
Bernard Peters	Appointed - 20 March 2018
Sharon Knight	Resigned - 7 January 2020
Martin Jackson	Resigned – 3 July 2020
Vacancy	N/A

Senior Executive Leadership Team:

Name	Role
Robert Bowater	Accounting officer / CEO
Christopher Finnerty	Chief Financial Officer
Sue Egersdorff	Exec Director Governance/Strategy
James Hill	Exec Director School Improvement

Trust details:

Company name:	drb Ignite Multi Academy Trust
Company number:	09284055
Principal and Registered Office:	2nd Floor, 3 Brindley Place Birmingham B1 2JB
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 LLP Victoria Square House Victoria Square Birmingham B2 4BU

Introduction to the Annual Report

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 2020. The Annual Report serves the purposes of both a Trustees' report and a Directors' report (incorporating a strategic report) under company law.

Part One of the report looks at the governance and work of the Trust towards the achievement of our strategic objectives over the period of 1 September 2019 to 31 August 2020. It sets out our governance arrangements, activities, achievements and plans for future work.

Part Two of the report presents the detail of the Trust's financial performance over the period of 1 September 2019 to 31 August 2020 and demonstrates compliance with the Academies Financial Handbook 2020 and ESFA Reporting requirements.

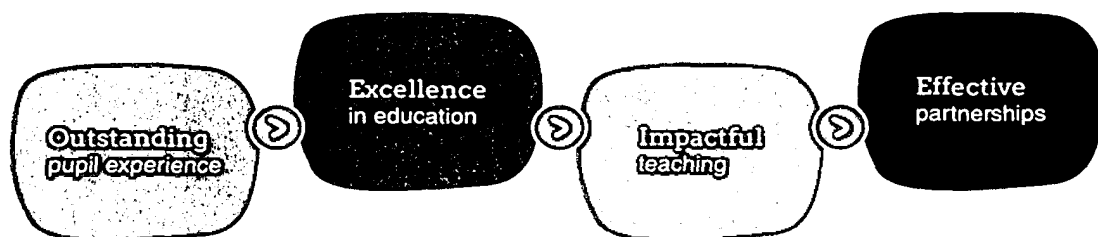
To note:

The Trustees have also referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives that have been set and how these may need to be adapted in light of the ongoing Covid-19 pandemic challenges and restrictions.

Trust Vision and Values

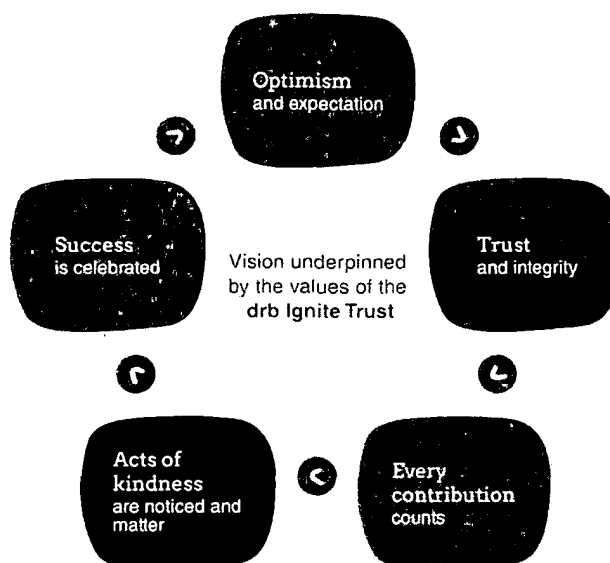
Trust vision:

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



drb Ignite Multi Academy Trust
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Trustees' report for the year ended 31 August 2020 (continued)

Trust values:



REPORT PART ONE

Section 1: Governance and School Improvement

1:1 Background

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

School Name	Local Authority Area	NOR
Audley Primary School	Birmingham	820
Beechwood CE Primary	Dudley	194
Hob Green Primary School	Dudley	230
Jervoise Primary School	Birmingham	210
Princethorpe Infant School	Birmingham	178
Princethorpe Junior School	Birmingham	238
The Bromley Pensnett Primary School	Dudley	265
The Oval Primary School	Birmingham	628
Wychall Primary School	Birmingham	398

The Trust schools have a combined pupil capacity of 3,161 and had a roll of 3,066 in the school census of October 2020

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Trustees' report for the year ended 31 August 2020 (continued)

1:2 Conversions to the 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 Primary School	1 October 2015
Wychall Primary School	1 October 2015
Bromley Pensnett Primary School	1 October 2015
Beechwood CE 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

1:3 Governance structure and accountability

Constitution

The multi academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of drb Ignite Multi Academy Trust are also the directors 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.

Members' liability

Individual Trust members undertake to contribute to the assets of the Trust in the event of it being wound up whilst 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 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 Multi Academy Trust. The insurance provides cover up to £10,000,000 on any one claim.

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Trustees' report for the year ended 31 August 2020 (continued)

Trustee competency

The Trust Board is composed 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 DfE *Academies Financial Handbook 2019*, *Governance Handbook 2019* and associated *Competency Framework*.

Individuals appointed as non-executive Trustees to the Trust Board 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 2019
- 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
- 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 2019

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

1:4 Trustee selection process, induction, and professional development

The selection process for prospective trustees is thorough and may include local advertising, national advertising, website and other social media platforms. An application and interview process takes place led by a Trustee Selection Panel. Final selection is approved by the full Trust Board and Members.

Newly appointed Trustees are fully inducted using a bespoke induction package that includes face to face sessions and on-line training modules:

- face to face sessions with the CEO and members of the Executive Leadership Team
- effective governance and risk management
- financial management and robust oversight
- safeguarding, child protection and *Prevent* training
- visits to Trust schools and associated learning walks
- observation of school improvement challenge and support model through the Trust Improvement Board 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, exclusions
- safer recruitment practice
- GDPR training
- document sharing and reading lists e.g. Academies Financial Handbook 2019 and KCSIE 2019

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Trustees' report for the year ended 31 August 2020 (continued)

The Trust maintains an annual Professional Development Plan accessible to both Members and Trustees. The plan includes a bespoke induction programme for new Members and Trustees.

Further professional development opportunities are provided for Trustees to work alongside school leaders to shape the vision and priorities of the Trust at various points in the academic year. This includes learning walks at Trust schools, attendance at professional conferences and events and the Trust's Annual Senior Leadership Strategic Planning Days, held annually in late January.

1:5 Board sub-committee structure

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

The Trust Board operates with five main sub-committees. The committees for the period of the Report are:

1. Finance
2. Audit and Risk
3. Achievement, Support and Scrutiny
4. Remuneration and Nomination
5. Trust Improvement Board

To note:

- (i) Disciplinary and grievance appeals are heard by a panel of Trustees as and when required and constituted according to Trustee availability.
- (ii) The Trust's Governance structure has replaced local governing bodies with Trust Improvement Boards. These meet for every school on a termly basis and provide effective strategic oversight of governance, leadership, finance, and school improvement priorities. Parents are encouraged to engage in two-way communication with their child's school and the Trust through termly Parent and Community Advisory Forums. The model has been reviewed in September 2020 with some changes made to respond to the Covid-19 pandemic and will be further reviewed at the end of the school year 2020/21 as the Trust emerges from the pandemic.
- (iii) 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 all financial management policies alongside associated processes for managing reserves and investment.

1:6 Trustee specific 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 ESFA requirements. To maintain a focus on important aspects of school improvement work, the Trust Board appoints individual Trustees to fulfil particular roles.

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Trustees' report for the year ended 31 August 2020 (continued)

Over the period of the Report the following appointments were made:

Trust Chair	David Sheldon
Trust Vice Chair	Viv Randall
Child Protection + Safeguarding	David Sheldon
Relationship + Health Education	David Sheldon
Single Point of Contact (Child Protection)	Robert Bowater
Children Looked After (CLA)	Robert Bowater
SEND	Viv Randall
Trustee Professional Development Lead	Kevin McCabe
Pupil Premium	Kevin McCabe
Clerk to the Trust Board	Catherine Ludwig

1:7 Trust Board Annual Business Planner

The Trust Board organises its work through an *Annual Business Planner*. This structures how the Board will fulfil its strategic responsibilities for overseeing, advising and challenging the Trust's overall performance and standards of educational provision. This includes the performance management and remuneration arrangements for the CEO (Accounting Officer).

An ongoing focus over the 2019-2020 Reporting Year has continued to be well-organised, robust governance and financial management to ensure full compliance with all DfE and ESFA reporting requirements.

1:8 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 legalisation. Over the reporting year, the Trust has continued 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

This has been particularly challenging over the latter part of the year when government required schools to close for a period of time. The Trust worked exceptionally hard to provide age appropriate learning opportunities for pupils to engage with at home. Schools remained open for the most vulnerable pupils and the children of keyworkers.

Over the reporting year, the Trust has remained constantly mindful of its responsibilities to the one Church of England school (Beechwood C.E. Primary) to promote Christian distinctiveness and meet all SIAMs Inspection requirements.

The Trust has continued to take 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.

1:9 Improved governance and financial oversight

Over the 2019 to 2020 Reporting Year, the Trust has embedded the Trust Improvement Board structure into its governance framework. This provides an additional level of governance incorporating 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 uses the outcomes of the Trust Improvement Board to maintain oversight of critical school functions, processes and procedures and to evaluate how successfully its policies have been implemented.

- Child protection, safeguarding and *Prevent* duties
- Quality of teaching and learning
- Pupil 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
- Collaborative working across Trust schools
- Partnership working with parents, carers and local communities
- Statutory compliance
- Budget and resource management
- Asset management
- Statutory health and safety requirements
- Equality and diversity

The impact of the Trust Improvement Board has continued to be significant over the reporting year with strong evidence of schools and Trustees working collaboratively to secure school improvement.

Section 2: Achievements over the Reporting Year 2019-20

2.1 Strategic priorities for reporting year

The Trust's strategic priorities for the reporting year are set out in the *Annual Business Plan*. These are presented through six strategic work-strands:

Work-strand 1	Equalising opportunities for children AIM - 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.
Work-strand 2	School improvement through curriculum consistency and depth AIM - to continue to develop the Trust's curriculum offer to ensure the learning experiences of all pupils are consistent, broad and balanced.
Work-strand 3	Workforce development, recruitment, and retention AIM - to further develop outward facing leadership and professional development strategy through workforce review process that supports talent management and effective recruitment and retention.
Work-strand 4	Culture of safeguarding AIM - to continue to build a culture of safeguarding across the Trust and its schools and build leading edge practice.

Work-strand 5	Financial probity and sustainability AIM - to continue to improve and refine financial systems to maintain full compliance with the Academies Financial Handbook 2019. 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.
Work-strand 6	Effective partnerships and strong governance AIM - to continue to build good governance based on purposeful decision making, participation, accountability, and transparency.

2:2 COVID-19 Response Strategy and Risk Assessment

A major part of the 2019-20 reporting year has been impacted by the Covid-19 pandemic, requiring the Trust to respond at pace to a plethora of government, Public Health England and Health and Safety Executive guidance and requirements. The changing face of the pandemic has required a dynamic, adaptive, and collaborative response from the Trust and its schools.

Pupil and staff safety alongside *gold standard* infection control measures have been central to the thinking of Trustees and senior leaders at all times. Supporting staff, families and children during this time has become an overriding priority, requiring some reorganisation of

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Trustees' report for the year ended 31 August 2020 (continued)

the Trust's planned work. This has affected the delivery of the strategic priorities set out in the table above.

2:3 Successful OFSTED Summary Evaluation

In November 2019, the Trust was visited by Ofsted to conduct a Trust Summary Evaluation of the organisation. This is a root and branch review across three key areas of the Trust's work:

- Financial management and probity
- Effective governance
- School improvement and pupil outcomes

The four-day visit was led by two HMI Inspectors and involved every member of the Executive leadership team, Trustees (particularly the Chair) and headteachers. The Trust received an exceptionally positive Evaluation Letter which commended the Trust for its many strengths. Raising individual school performance and overall pupil outcomes remains the key challenge for the Trust as it moves forwards. Unfortunately, this drive for further rapid improvement will be impacted by the pandemic. A quote from the Evaluation Letter reflects the Trust's success:

The Trust's vision and values are well understood by Trustees, leaders and staff alike. A sense of social responsibility drives Trustees and leaders to improve the life chances of pupils in their schools.

Ofsted: Trust Summary Evaluation Report
November 2019

2:4 Development of school improvement team

Over the reporting year the capacity of the Trust's school improvement team has been enhanced with the appointment of two senior leaders:

- Executive Director for School Improvement (permanent)
- Director for Curriculum and Professional Development (one-year contract)

To support these senior appointments the Trust has seconded further expert teacher capacity from within the Trust workforce using a systems leadership approach. This will use their skills and experience to support Trust schools with specific challenges. Their contribution will increase the leadership capacity of other schools to help raise standards:

- School Improvement Leads x 3 (0.4 FTE)
- School Improvement Practitioners x 6 (0.4 FTE)
- Inclusion Lead (0.4 FTE)

2:5 Development of central capacity

Over the reporting year the capacity of the Trust's central executive team has also been enhanced to include:

- Director of Operations
- Office Manager

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Trustees' report for the year ended 31 August 2020 (continued)

This additional capacity to the Trust's employed infrastructure will ensure fitness for purpose, enabling stronger performance and overall progress. This has been of significant value over the reporting year in managing and co-ordinating the Trust's response to the Covid-19 pandemic.

2.6 Reading for Pleasure – Reading Improvement Programme

All schools in the Trust have become involved with the Open University's Reading for Pleasure Project and associated teacher professional development programme. This involves all schools setting clear targets and success criteria for the whole school improvement of reading and engagement of children in literary activity

2.7 UNICEF Rights Respecting Schools Programme

Over the reporting year all Trust schools have engaged with the UNICEF Rights Respecting Schools Programme, working together to create safe and inspiring places to learn where children's rights are respected, their talents are nurtured and they are able to thrive. The Programme aims to achieve four key areas of impact for children:

- Wellbeing
- Participation
- Relationships
- Self-esteem

These help to ensure all pupils are happy and healthy, feel safe, can build and sustain strong relationships with both peers and adults and become active in school life and the wider world.

2.8 Trust professional development offer

During 2019-20 the Trust built on its staff professional development offer although this was disrupted in the latter part of the year as a result of the Covi-19 pandemic. The Trust was forced to postpone some events whilst successfully transferring others to online delivery. Delivery of sessions and workshops has led to an increase in attendance and participation in some areas and the Trust is currently contemplating the continuance of this form of delivery.

Cross Trust Forums for specialist subject areas and tasks have become embedded with the direct outcome that the Trust is more collaborative and sharing practice has become the norm.

2.9 Learning support systems and processes

The improvement priorities, strategies and activities of the Trust over the reporting year have been supported by consistently improving policies, systems and procedures. This has enabled the development of a more coherent approach to the raising of school standards and pupil outcomes. For example:

- CPOMMS safeguarding software embedded across all schools for monitoring safeguarding, wellbeing, and all pastoral issues
- Improved tracking of attendance and absence data
- Financial monitoring software introduced
- Online risk management and risk register system introduced

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Trustees' report for the year ended 31 August 2020 (continued)

- Further development of online Trustee CPD Programme linked to major accountabilities i.e. finance, governance, safeguarding, GDPR and school improvement
- Further development of capacity of INSIGHT pupil tracking and assessment system

2.10 Looking ahead to 2021

The Covid-19 pandemic seriously affected the 2019-20 school year. Primary pupil tests were cancelled as schools were forced to close and put in place arrangements for remote learning quickly for all pupils. Digital technology has been central to enhancing the learning experience which has consequently been variable depending on pupils' access to appropriate devices.













However, classroom teaching is the mainstay of education and has been sorely missed and seriously disrupted for a large part of the year. The crisis has also highlighted the difficulties faced by the children who experience the greatest degree of challenge in their lives, and who are from the most disadvantaged backgrounds. It is these pupils who have most missed the benefit of direct interaction with teachers and teaching assistants. Catching up on lost learning time will be a significant, complex, and difficult task over the coming year 2020 to 2021 and will focus on:

- reducing learning gaps across all phases due to loss of school time during Covid-19
- % of pupils 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
- continued improvement in rates of attendance and reduction in persistent absence
- continued downward trajectory in rate of fixed and permanent exclusions
- greater engagement of parents in children's learning

School improvement team and external adviser visits into schools have been restricted to avoid the spread of the virus and maintain tight infection measures making the support and challenge functions of the team very limited. In the absence of validated pupil performance data for 2020, the following table provides a broad overview of every school

Name of school	Ofsted category overall Judgement	Date last inspection	Ofsted position	End of reporting year position
Jervoise Primary School	Good	September 2018	↑	↘
Wychall Primary School	Good	February 2020	↑	↑
Bromley Pensnett Primary School	Good	September 2018	↑	→

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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 Primary School	Good	May 2019		
Princethorpe Junior School	New to Trust	Will be in Ofsted window 2021-22		

Trust Growth and People Plan.

As the Trust emerges from the Covid-19 pandemic over the coming year to August 2021, the intention is to review key strategic and operational priorities in terms of financial sustainability and fitness for purpose. This will focus on two significant areas that have been effectively halted by the impact of the virus on both leadership time and potential to act. The two areas are:

- **Trust People Plan** - the capacity and capability of the workforce to achieve improvement in school performance and pupil outcomes. A *Trust People Plan* will be developed with clear priorities for workforce planning, recruitment, retention and talent management. This will be costed for immediate affordability and include financial projections to 2024 which will demonstrate sustainability, value for money and intended impact.
- **Trust growth** – total pupil numbers across all Trust schools currently stand at 3066. Forward projections suggest that this figure will drop over the next three years due to a fall in the birth rate across both Birmingham and Dudley. The Trust has already met with the Regional Schools Commissioner and his senior staff to discuss the ambition of the Trust to increase its size to include more primary schools through careful and structured growth that will address the deficit position. This ambition was well received and over 2021 the Trust will continue to work closely with the RSC to pursue opportunities for growth in line with the Trust's strategic plan, vision and operating values.

REPORT PART TWO

Financial Governance, Management and Statements

To note:

The financial statements contained in this Part Two of the Trustees' Annual Report comply with the Academies Financial Handbook 2019 and ESFA reporting requirements, the Trust's Articles and Funding Agreement.

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Trustees' report for the year ended 31 August 2020 (continued)

1.1 Financial oversight

To enable the Trust to improve its financial governance the work of associated sub-committees i.e. Finance, and Audit and Risk have been developed over the reporting year. This has supported Trustees in the overall management and monitoring of finance, risk and staffing matters by providing a strengthened level of scrutiny of the finance, risk and HR practices of the Trust, prior to making recommendations on these matters to the Trustees for their decision.

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. The Trust has effective governance structures, systems, and processes in place to ensure compliance and sound financial probity. Trustees consider that the robust internal controls, risk management and assurance processes are in line with Section 2 of the Academies Financial Handbook 2019. Finances are currently sound and well planned. The Trust's internal control processes are laid down in the Trust's *Financial Procedures Manual*. This was reviewed in the reporting year.

- 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 reporting year and this can be accessed on the Trust's website.
- All financial meetings of the Trust Board and its sub-committees are professionally clerked (AFH 2019 Sec 2) with minutes produced and distributed appropriately.
- The Trust maintains a detailed Risk Register which details and scores all financial risks alongside clear mitigation strategies.

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 educational vision, priorities, and strategies of the Trust.

During the year ended 31 August 2020 total resources expended were £21,948,799 and the excess of expenditure over income was £2,168,998 which included depreciation of £1,223,414.

1.2 Financial performance indicators

- Direct costs as a percentage of total costs were 66.9% (2019 : 66.5%)
- Support costs as a percentage of total costs were 33.1% (2019 : 33.5%)
- Total payroll costs as a percentage of recurring income were 83.2% (2019 : 81.8%)

Designated funds have been set against the Trust's identified school improvement priorities. Some changes have been agreed with Trustees to cover the requirements of the Trust's Covid-19 Strategy and associated risk assessments. This has been an unprecedented reporting year that has required adaptive and flexible financial planning.

1.3 Related party and other connected transactions

Over the reporting year there have been no related parties concerns which either control or significantly influence the decisions and operations of the Trust over the reporting year

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Trustees' report for the year ended 31 August 2020 (continued)

1.4 Engagement with employees (including disabled persons)

The Trust is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positive differences in race, gender, sexual orientation, ability, class and age.

The Trust considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment within the Trust is continued.

The Trust works with employee Trade Unions across both of the Local Authorities and engages in consultation where required to ensure all aspects of the Charitable company are discussed and consulted.

1.5 Engagement with suppliers, customers and others in a business relationship with the trust

In exercising its powers and duties the Trust has complied with its duty to have due regard to the Charity Commissions guidance on Public Benefit. The main public benefit delivered by the Trust is the provision of a high quality of education to its pupils.

1.6 Financial risk management

Trustees acknowledge their responsibility for identifying and managing the risks to which the Trust is exposed. A termly review of the Trust's Risk Register ensures that the Trustees are well informed to arrive at a set of parameters and decisions for the amount of risk they consider to be acceptable. For example, the Trustees continue to review and question the Reserves Policy to establish and agree an appropriate level of reserves. With this information, the Trustees are able to make informed choices about the strategic proposals put forward by the Chief Executive Officer. The principal risk, which continues to cause uncertainty for the Trust is lack of clarity about future funding agreements from government. This risk has been intensified due to the additional and unexpected costs associated with keeping schools safely open over the period of the Covid-19 pandemic.

To note:

The Trust uses the Government's Orange Book to support the assessment of major risks to which the Trust is exposed, in particular those relating to governance, financial management and school improvement.

1.7 Procurement

Over the reporting year the Trust conducted a large tendering process for a new common catering provider for all Trust schools. As the tender value was expected to be over £1,000,000, all general EU public procurement rules were followed (OJEU). The contract was awarded to Chartwells Schools Dining Services who commenced the contract in part in April 2020 for four of the nine Trust schools. The remaining five school's contract's commenced in September 2020. The Trust is keen to establish an effective longer-term partnership with Chartwells to deliver high quality healthy food consistently across all Trust schools. The Contract will be subject to initial review in December 2020.

Over the reporting year the Trust terminated its financial support contract with *drb Schools and Academies Services Ltd*. Although this work was undertaken based on a clearly defined service level agreement and the services were provided **at cost** and **open book** to ensure Trustees comply with their statutory responsibilities, it was felt the Trust had the capacity to

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Trustees' report for the year ended 31 August 2020 (continued)

take this service internally. This change has now been implemented with early evidence of positive impact.

1.8 Pay and remuneration of CEO and senior leaders

Full use is being made of the DfE guidance for Academy Trusts on financial benchmarking and value for money as well as new guidance to support Academy Trusts in setting levels of pay for executive leaders – *Setting Executive Salaries* (ESFA July 2019). This ensures the Board uses all available resource efficiently, benchmarking executive team salaries to those paid in similar Trusts as a basis for transparency, scrutiny, and challenge.

In addition, the following *value for money* criteria continue to be used by Trustees when making senior appointments and associated financial decisions:

- economic, efficient, and effective use of all the resources in the Trust's charge
- avoidance of waste and extravagance
- prudent and economical administration of the organisation
- establishment and maintenance of a transparent system of financial governance
- all financial transactions represent value for money

1.9 Reserves Policy and Going Concern Statement

Trustees continue to assess the Trust's approach to financial risk and Trust reserves. Trustees agree on a deliberately prudent approach to risk and this is the foundation on which specific scenarios have been costed to provide the Trust with an appropriate margin of safety.

The Trust's financial modelling means that income and expenditure can be forecast with reasonably high levels of accuracy. However, the turbulence caused by the Covid-19 pandemic and need to establish a recovery strategy means that Trustees may need to keep the Reserves Policy under constant review. Caution, prudence, and vigilance will continue to be paramount to ensure operating efficiency can be maintained without undue course to the use of reserves.

As a result of this review work and after making appropriate projections, Trustees have assessed the going concern basis as at the date of the Report and accounts are approved. They believe that the level of reserves held, and an analysis of the financial risks currently faced gives sufficient assurance that the Trust continues to be a going concern.

To note:

Trust Going Concern Statement

The Trust Board has a reasonable expectation that the Trust has adequate resources to continue in operational existence until at least 2022. It continues to adopt the *going concern* basis in preparing all financial statements. Further details regarding the adoption of the *going concern* basis can be found in the *Statement of Accounting Policies*.

1.10 Ongoing monitoring and scrutiny

Over the reporting year Trustees have continually monitored the reserves of the Trust and will continue to do so. 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.

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Trustees' report for the year ended 31 August 2020 (continued)

To note:

The Trust had total funds at 31 August 2020 of £20,897,330 which included £415,213 restricted funds not available for general purposes of the multi academy trust, £863,683 of free reserves defined as unrestricted funds available for general purposes and £38,595,434 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £1,278,896.

In addition, the deficit on the restricted pension fund of £18,977,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

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 2020/21 financial year is estimated to be £1,278,896, projecting 8.41% reserves at 31st August 2021, and a 3.41% above required target.

1.11 Investment Policy

The Trust Board has an *Investment Policy* which allows Trustees to invest to further the Trust's educational purpose and vision. The Policy supports financial management and the tracking of financial exposure and ensures a focus is maintained on achieving value for money in all transactions and decisions.

In line with Section 2 of the Academies Financial Handbook 2019, the Trust Board always:

- 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 its *Investment Policy* and any investments regularly

To note:

The day to day responsibility for managing this function is delegated to the Director of Finance who acts in the capacity of Chief Financial Officer (CFO).

1.12 Trade union facility time

The multi academy trust does not have any relevant union officials during 2019/20.

1.13 Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	2019/2020
Energy consumption used to calculate emissions (kWh)	4,373,653.00
Energy consumption break down (kWh) (optional):	
• Gas	3,375,268.00
• Electricity	984,427.00
• Transport fuel	13,958.00
Scope 1 emissions in metric tonnes CO2e:	
• Gas consumption	620.61
• Owned transport – minibuses	0.00
Total Scope 1:	620.61
Scope 2 emissions in metric tonnes CO2e:	
• Purchased electricity	229.51
Scope 3 emissions in metric tonnes CO2e:	
• Business travel in employee owned vehicles	3.37
Total gross emissions in metric tonnes CO2e	853.49
Intensity ratio Tonnes CO2e per pupil	0.28

Quantification and reporting methodology

The Trust has followed the 2019 HM Government Environmental Reporting Guidelines. The Trust has also used the GHG Reporting Protocol – Corporate Standard and has used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

During the 2019-20 financial year, the Trust undertook a Utilities tendering exercise for Gas and Electricity costs. The new contract has been phased in during the financial year as each school's incumbent contract ends. All schools will be on the new Gas and Electricity contract, provided by British Gas, by April 2021. Mileage across the Trust has been reduced since the COVID-19 outbreak due to the increasing use of online Microsoft Teams meetings. This is expected to continue.

1.14 Responsibility of Trustees for the financial statements

As explained fully in Annex 'A' *Governance Statement*, Trustees recognise that they are responsible for the preparation of the annual financial statements and for being satisfied that they have given 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.

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Trustees' report for the year ended 31 August 2020 (continued)

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.

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Trust Board, as the company directors, on 26 January 2021 and signed on the Board's behalf by:



..... David Sheldon - Chair of Trust Board

drb Ignite Multi Academy Trust
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Annex A - Governance Statement for the year ended 31 August 2020

1. Scope of responsibility

The information on governance included in this Statement is supplementary to that described in the Trustees' Annual Report.

As Trustees of 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 our educational and business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

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 and are compliant with the requirements of both propriety and good financial management as set out in the Academies Financial Handbook 2019, ESFA guidance 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.

2. Trustee attendance information

2.1 Trust Board

The Trust Board has formally met six times during the reporting period. Additional Emergency Meetings were called in order to develop and implement the Trust's response strategy to the Covid-19 pandemic. Attendance across the reporting period was as follows:

Trustee	Meetings attended	Meetings held
David Sheldon (Chair)	6	6
Viv Randall (Vice-chair)	6	6
Kevin McCabe	5	6
David Peters	6	6
Cheryl Millard	5	6
Ian Swain	5	6
Catherine Gallagher	5	6
Bernard Peters	5	6

2.2 Finance Sub-Committee

Trustee	Meetings attended	Meetings held
Ian Swain (Chair)	4	4
David Sheldon	4	4
Kevin McCabe	3	4
Robert Bowater (CEO)	4	4
Chris Finnerty (CFO)	4	4

2.3 Achievement, Support and Scrutiny Sub-Committee

Trustee	Meetings attended	Meetings held
Viv Randall (Chair)	4	4
Cheryl Millard	3	4
Kevin McCabe	3	4
Rob Bowater	3	4
James Hill	3	4
Sue Egersdorff	3	4

2.4 Audit and Risk Sub-Committee

Trustee	Meetings attended	Meetings held
David Peters (Chair)	3	3
Rob Bowater	3	3
Chris Finnerty	3	3
Bernard Peters	3	3
Cath Gallagher	3	3

3. Achieving value for money and scope of work

The purpose of this section is to demonstrate to all stakeholders that Trustees 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 reporting year. An ongoing strategic 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 available to them. The CEO in his role as Trust Accounting Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The CEO 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 CEO as Accounting Officer has considered how the Trust's use of resources has specifically 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. Prior to the pandemic, the Trust was able to demonstrate that with the exception of reading attainment, data indicates that outcomes have improved, or previous improvements have been maintained. Trustees are very clear that *standards are not there yet* and improving outcomes for all pupils was a top priority pre the arrival of Covid-19 and will be the major focus as the Trust emerges from the pandemic. 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 is partly due to continued staffing instability in some schools which is likely to be further impacted by the pandemic.

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Annex A - Governance Statement for the year ended 31 August 2020 (continued)

Over the reporting year, more regular reports have been provided to the Trust Board in order to monitor and maintain oversight of the pandemic. These have continued to highlight how value for money has been secured and included benchmarked data where appropriate. The CEO as Accounting Officer has worked to deliver improved value for money during the reporting period as exemplified through the successful OEJU tender for provision of catering services to the Trust and the procurement of the required PPE equipment for all schools.

4. Trustee self-review

Over the reporting year Trustees have continued to evaluate their performance and effectiveness. The *Ofsted Summary Evaluation* inspection visit in November 2019 found the performance of Trustees in fulfilling their responsibilities as set out in the DfE Governance Handbook 2019 and associated Governance Competencies Framework 2019 to be met. However, Trustees are keen to improve their oversight, challenge, and scrutiny role still further to include:

- the quality and range of performance and benchmarking data presented to Trustees
- the depth of knowledge Trustees have about Trust schools. This will be resumed following the Covid-19 pandemic when Trustees will be able to visit schools safely
- further knowledge and understanding of GDPR requirements. All Trustees have completed an initial online GDPR training module which will be enhanced through follow-on modules over the coming year
- the quality and depth of financial reporting and analysis including forecasting data
- Improved governance and oversight of financial functioning of the Trust Improvement Board
- Implementation of the Trust's plans to implement a Trust GAG pooling model

5. Focus areas 2021-22

- Considering the potential to achieve further improved value for money through cross Trust procurement approaches for special needs support services, utilities, and IT
- Implementing Trust People Plan
- Developing a Trust Digital Marketing Strategy
- Developing the capacity and capability of the in-house financial management service
- Implement digital Trust Risk Register software solution
- Review functionality of School Business Managers

6. Next Trust Board Review

The Trust Board intends to conduct its next review, which will be commissioned externally in November 2021, two years after the Trust's Ofsted Summary Evaluation visit.

7. 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 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.

8. Capacity to handle risk

The Trust Board has a detailed Risk Register which is presented at every Board meeting and monitored by the Audit and Risk 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 in place for the reporting period and up to the date of approval of the Annual Report and financial statements. The Trust's Risk Register will be fully transferred to a digital format by January 2021.

9. 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 2019 and full compliance with ESFA requirements.

It includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are scrutinised through the Trust Improvement Board/Finance Sub-Committee process before review and sign off by the Trust Board
- regular reviews by the Finance and Audit and Risk 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, management and mitigation of risks

Over the reporting period, the Trustees have used drb Schools and Academies Services Ltd to provide an internal audit function to provide an independent oversight of the Trust's financial 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 2019., 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 Trust's documentation to include:
 - 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
 - Board and sub-committee minutes

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Annex A - Governance Statement for the year ended 31 August 2020 (continued)

- **Governance**

Progress against prior year:

- Management Letter
- Internal Assurance Report
- Website compliance
- Proper convening of board meetings e.g. quorate
- Maintenance of GIAS and Companies House Member/Trustee data
- Assessment of any related, connected party issues
- Maintenance of declarations and pecuniary interest register

- **Transactional**

Appropriate testing of:

- purchases
- bank transactions
- credit cards
- capital works
- tendering and procurement
- payroll administration
- income
- IT procedures

To note:

On a termly basis, the drb Schools and Academies Services Ltd Internal Audit Function reports are presented to the Trust Board.


10. Review of effectiveness

As Accounting Officer, Robert Bowater (CEO) has responsibility for reviewing the effectiveness of the Trust's systems of internal control. During the reporting period this review activity has been informed by:

- the work of the internal reviewer
- the work of the external auditor
- 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 26 January 2021 and signed on its behalf by:



.....
David Sheldon
Chair of Trust Board



.....
Robert Bowater
CEO and 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 2020

As accounting officer of drb Ignite Multi Academy I have considered my responsibility to notify the multi academy trust board of trustees and the Education and 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 2019.

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 2019.

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

26 January 2021

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

Annex C - Statement of trustees' responsibilities for the year ended 31 August 2020

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 26 January 2021 and signed on its behalf by:



..... David Sheldon – Chair of Trustees

Outstanding
pupil experience

Excellence
in education

Impactful
teaching

Effective
partnerships

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 year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 2020, 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, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other 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 26), 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
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Independent Auditor's Report on the Financial Statements to the Members of drb Ignite Multi Academy Trust
(continued)

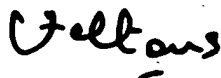
Auditor's responsibilities for the audit of the financial statements (continued)

- 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

27 January 2021

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 and Skills Funding Agency

In accordance with the terms of our engagement letter dated 23 June 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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

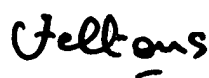
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

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

Independent Reporting Accountant's Assurance Report on Regularity to drb Ignite Multi Academy Trust and the Education and 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 2019 to 31 August 2020 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

27 January 2021

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

Statement of financial activities for the year ended 31 August 2020
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2019/20 £	Total 2018/19 £
Income from :							
Donations and capital grants	2	-	-	-	503,274	503,274	591,753
Transfer of pension liability		-	(750,000)	-	-	(750,000)	-
Transfers from local authority on conversion		-	-	-	-	-	1,181,237
Charitable activities :	3						
Funding for the academy trust's educational operations		214,387	-	19,761,979	-	19,976,366	19,165,347
Other trading activities	4	49,587	-	-	-	49,587	48,623
Investments	5	574	-	-	-	574	1,546
Total		264,548	(750,000)	19,761,979	503,274	19,779,801	20,988,506
Expenditure on :							
Charitable activities:							
Academy trust educational operations	6	616,496	798,000	19,310,889	1,223,414	21,948,799	21,364,069
Other costs on conversion		-	-	-	-	-	10,691
Total		616,496	798,000	19,310,889	1,223,414	21,948,799	21,374,760
Net income/(expenditure) before transfers		(351,948)	(1,548,000)	451,090	(720,140)	(2,168,998)	(386,254)
Transfers between funds	15	-	-	(45,470)	45,470	-	-
Net income/(expenditure) after transfers		(351,948)	(1,548,000)	405,620	(674,670)	(2,168,998)	(386,254)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	15, 24	-	(1,199,000)	-	-	(1,199,000)	(2,615,000)
Net movement in funds		(351,948)	(2,747,000)	405,620	(674,670)	(3,367,998)	(3,001,254)
Reconciliation of funds							
Total funds brought forward	16	1,215,631	(16,230,000)	9,593	39,270,104	24,265,328	27,266,582
Total funds carried forward		863,683	(18,977,000)	415,213	38,595,434	20,897,330	24,265,328

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 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		38,429,230		39,032,642
Current assets					
Debtors	13	739,549		748,153	
Cash at bank and in hand		<u>2,878,630</u>		<u>2,518,958</u>	
		3,618,179		3,267,111	
Liabilities					
Creditors: amounts falling due within one year	14(a)	<u>1,986,428</u>		<u>1,610,031</u>	
Net current assets			1,631,751		1,657,080
Total assets less current liabilities			<u>40,060,981</u>		<u>40,689,722</u>
Creditors: amounts falling due after more than one year	14(b)		(186,651)		(194,394)
Net assets excluding pension liability			<u>39,874,330</u>		<u>40,495,328</u>
Defined benefit pension scheme liability	24		(18,977,000)		(16,230,000)
Total net assets			<u><u>20,897,330</u></u>		<u><u>24,265,328</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	15	38,595,434		39,270,104	
Restricted income fund	15	415,213		9,593	
Pension reserve	15	<u>(18,977,000)</u>		<u>(16,230,000)</u>	
Total restricted funds			20,033,647		23,049,697
Unrestricted income funds	15		863,683		1,215,631
Total funds			<u><u>20,897,330</u></u>		<u><u>24,265,328</u></u>

The financial statements on pages 33 to 57 were approved by the trustees, and authorised for issue on 26 January 2021 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 2020

	Notes	2019/20 £	2018/19 £
Cash flows from operating activities			
Net cash provided by operating activities	19	483,950	229,882
Cash transferred on conversion to academy trust		-	106,919
Cash flows from investing activities	20	(116,154)	(216,484)
Cash flows from financing activities	21	(8,124)	(7,444)
		<u>359,672</u>	<u>112,873</u>
Cash and cash equivalents at 1 September 2019		2,518,958	2,406,085
Cash and cash equivalents at 31 August 2020	22	<u>2,878,630</u>	<u>2,518,958</u>

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

Notes to the financial statements for the year ended 31 August 2020

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 2019 to 2020 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.

Notes to the financial statements for the year ended 31 August 2020 (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 2020 (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:

Leasehold land and 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 2020 (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 net income/(expenditure) 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 2020 (continued)

1. Accounting policies (continued)

Fund accounting

Unrestricted income funds represent those 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 and 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2020 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Capital grants	-	-	503,274	503,274	567,012
Other donations	-	-	-	-	24,741
	-	-	503,274	503,274	591,753
Transfers from local authority on conversion	-	-	-	-	1,181,237
	-	-	503,274	503,274	1,772,990
2019 total	131,660	(1,102,000)	2,743,330	1,772,990	

Analysis of restricted funds transferred
from local authority :

Restricted pension fund	(1,102,000)
	<u>(1,102,000)</u>

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

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	15,200,782	-	15,200,782	14,750,614
Other DfE Group grants	-	3,401,579	-	3,401,579	2,788,270
Start up grant	-	-	-	-	70,000
	-	18,602,361	-	18,602,361	17,608,884
Other government grants					
Local authority grants	-	1,151,037	-	1,151,037	1,089,690
Exceptional government funding					
Coronavirus exceptional support	-	8,581	-	8,581	-
	-	1,159,618	-	1,159,618	1,089,690
Other income from the academy trust's educational operations	214,387	-	-	214,387	466,773
	214,387	1,159,618	-	1,374,005	1,556,463
	214,387	19,761,979	-	19,976,366	19,165,347
2019 total	347,336	18,818,011	-	19,165,347	

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

Notes to the financial statements for the year ended 31 August 2020 (continued)

3. Funding for the Academy Trust's educational operations (continued)

The academy trust has been eligible to claim additional funding in the period from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £8,581 of catering costs. These costs are included in notes 6 and 7 below as appropriate.

4. Other trading activities

	Unrestricted funds	Restricted funds	2019/20 Total	2018/19 Total
	£	£	£	£
Hire of facilities	49,587	-	49,587	48,623
	49,587	-	49,587	48,623
2019 total	48,623		48,623	

5. Investment income

	Unrestricted funds	Restricted funds	2019/20 Total	2018/19 Total
	£	£	£	£
Short term deposits	574	-	574	1,546
2019 total	1,546	-	1,546	

6. Expenditure

	Staff costs	Non pay expenditure		2019/20 Total	2018/19 Total
	£	Premises	Other	£	£
Academy's educational operations					
Direct costs	12,893,247	756,499	1,053,209	14,702,955	14,212,215
Allocated support costs	4,197,335	1,163,736	1,884,773	7,245,844	7,151,854
	<u>17,090,582</u>	<u>1,920,235</u>	<u>2,937,982</u>	<u>21,948,799</u>	<u>21,364,069</u>
2019 total	16,199,668	1,813,355	3,351,046	21,364,069	

Net income/(expenditure) for the period includes :

		2019/20	2018/19
		£	£
Operating leases	- plant and machinery	117,874	16,744
	- other	40,145	33,488
Depreciation		1,223,414	1,174,615
Interest paid on equal pay loan		5,484	4,653
Fees payable to auditor	- audit	28,600	27,750
	- other services	570	-

drb Ignite Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2020 (continued)

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2019/20 Total £	2018/19 Total £
Educational operations					
Direct costs	123,397	-	14,579,558	14,702,955	14,212,215
Support costs	493,099	798,000	5,954,745	7,245,844	7,151,854
	<u>616,496</u>	<u>798,000</u>	<u>20,534,303</u>	<u>21,948,799</u>	<u>21,364,069</u>
2019 total	<u>765,525</u>	<u>813,000</u>	<u>19,785,544</u>	<u>21,364,069</u>	
Analysis of support costs					
Support staff costs	-	798,000	3,399,335	4,197,335	3,961,267
Depreciation	-	-	466,915	466,915	387,493
Technology costs	-	-	156,474	156,474	6,177
Premises costs	49,588	-	828,537	878,125	718,525
Other support costs	443,511	-	1,074,237	1,517,748	2,052,808
Governance costs	-	-	29,247	29,247	25,584
Total support costs	<u>493,099</u>	<u>798,000</u>	<u>5,954,745</u>	<u>7,245,844</u>	<u>7,151,854</u>
2019 total	<u>540,849</u>	<u>813,000</u>	<u>5,798,005</u>	<u>7,151,854</u>	

8. Staff

a) Staff costs

Staff costs during the year were:

	2019/20 £	2018/19 £
Wages and salaries	11,557,482	10,957,672
Social security costs	1,080,743	997,664
Pension costs	<u>3,678,630</u>	<u>3,151,281</u>
	16,316,855	15,106,617
Agency staff costs	763,827	1,093,051
Staff restructuring costs	9,900	-
	<u>17,090,582</u>	<u>16,199,668</u>

drb Ignite Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2020 (continued)

8. Staff (continued)

b) Staff severance payments

There were two non-statutory/non-contractual severance agreements issued during the year that required payments of £9,900 to be made. Individually these were £6,500 and £3,400 (2019: £nil).

c) Staff numbers

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

	2019/20 Number	2018/19 Number
Teachers	179	184
Administration and support	336	339
Management	7	6
	<u>522</u>	<u>529</u>

d) Higher paid staff

	2019/20 Number	2018/19 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	8	6
£70,001 - £80,000	4	6
£80,001 - £90,000	1	2
£90,001 - £100,000	1	-
£110,001 - £120,000	<u>1</u>	<u>1</u>

e) Key management personnel

The key management personnel of the multi academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi academy trust was £410,305 (2019 : £445,362).

drb Ignite Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2020 (continued)

9. Central services

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

Category	Basis
Audley Primary School	6% of general annual grant
Beechwood Church of England Primary School	6% of general annual grant
Hob Green Primary School	6% of general annual grant
Jervoise School	6% of general annual grant
Princethorpe Infant School	6% of general annual grant
Princethorpe Junior School	6% of general annual grant
The Bromley - Pensnett Primary School	6% of general annual grant
The Oval School	6% of general annual grant
Wychall Primary School	6% of general annual grant

The actual amounts charged during the year were as follows :

	2019/20 ¹	2018/19
	£	£
Audley Primary School	229,557	155,466
Beechwood Church of England Primary School	61,182	49,801
Hob Green Primary School	60,600	41,520
Jervoise School	62,376	41,336
Princethorpe Infant School	57,206	38,451
Princethorpe Junior School	71,759	29,841
The Bromley - Pensnett Primary School	72,556	50,688
The Oval School	169,521	112,633
Wychall Primary School	120,171	102,097
	<u>904,928</u>	<u>621,833</u>

10. 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 (2019 : £60,000 - £65,000)
Employer's pension contributions paid	£nil (2019 : £nil)

During the year ended 31 August 2020, travel and subsistence expenses totalling £76 (2019 : £449) were reimbursed or paid directly to two (2019 : four) trustees.

Other related party transactions involving the trustees are set out in note 25.

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

Notes to the financial statements for the year ended 31 August 2020 (continued)

11. 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.

12. Tangible fixed assets

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2019	40,574,124	909,267	1,118,177	42,601,568
Additions	514,998	45,575	59,429	620,002
At 31 August 2020	<u>41,089,122</u>	<u>954,842</u>	<u>1,177,606</u>	<u>43,221,570</u>
Depreciation				
At 1 September 2019	2,508,466	340,407	720,053	3,568,926
Charge for the year	819,767	140,335	263,312	1,223,414
At 31 August 2020	<u>3,328,233</u>	<u>480,742</u>	<u>983,365</u>	<u>4,792,340</u>
Net book values				
At 31 August 2020	<u>37,760,889</u>	<u>474,100</u>	<u>194,241</u>	<u>38,429,230</u>
At 31 August 2019	<u>38,065,658</u>	<u>568,860</u>	<u>398,124</u>	<u>39,032,642</u>

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 date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

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Notes to the financial statements for the year ended 31 August 2020 (continued)

12. Tangible fixed assets (continued)

Cost or valuation at 31
August 2020 is
represented by :

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Valuation in 2016	15,741,090	169,290	248,630	16,159,010
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	2,482,431	503,629	374,759	3,360,819
	<u>41,089,122</u>	<u>954,842</u>	<u>1,177,606</u>	<u>43,221,570</u>

13. Debtors

	2020 £	2019 £
Debtors from operations	32,294	19,599
VAT recoverable	10,553	112,524
Prepayments and accrued income	696,702	616,030
	<u>739,549</u>	<u>748,153</u>

14. Creditors

	2020 £	2019 £
(a) Amounts falling due within one year :		
Creditors from operations	-	3,103
Accruals and deferred income	871,295	754,225
Other creditors	1,107,010	844,199
Loans	8,123	8,504
	<u>1,986,428</u>	<u>1,610,031</u>
Deferred income		
Deferred income at 1 September 2019	179,958	209,221
Resources deferred in the year	184,638	179,958
Amounts released from previous years	(179,958)	(209,221)
Deferred income at 31 August 2020	<u>184,638</u>	<u>179,958</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.

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Notes to the financial statements for the year ended 31 August 2020 (continued)

14. Creditors (continued)

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

	2020 £	2019 £
Other creditors	<u>186,651</u>	<u>194,394</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 £153,100 (2019: £160,378). The amount due within one year is shown in note 14(a).

15. Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	212,491	15,200,782	(14,744,208)	(59,077)	609,988
Pupil premium	-	2,275,297	(2,275,297)	-	-
LA (deficit) on conversion	(202,898)	-	(5,484)	13,607	(194,775)
Other grants	-	2,285,900	(2,285,900)	-	-
	<u>9,593</u>	<u>19,761,979</u>	<u>(19,310,889)</u>	<u>(45,470)</u>	<u>415,213</u>
Restricted fixed asset funds					
Transfer on conversion	36,632,282	-	(1,011,596)	-	35,620,686
DfE Group capital grants	1,967,425	503,274	(128,451)	-	2,342,248
Capital expenditure from GAG	609,471	-	(76,803)	45,470	578,138
Other capital grants	42,635	-	(657)	-	41,978
From unrestricted funds	18,291	-	(5,907)	-	12,384
	<u>39,270,104</u>	<u>503,274</u>	<u>(1,223,414)</u>	<u>45,470</u>	<u>38,595,434</u>
Pension reserve	<u>(16,230,000)</u>	<u>(750,000)</u>	<u>(798,000)</u>	<u>(1,199,000)</u>	<u>(18,977,000)</u>
Total restricted funds	<u>23,049,697</u>	<u>19,515,253</u>	<u>(21,332,303)</u>	<u>(1,199,000)</u>	<u>20,033,647</u>
Unrestricted funds					
Other income	1,215,631	264,548	(516,496)	-	863,683
Total unrestricted funds	<u>1,215,631</u>	<u>264,548</u>	<u>(516,496)</u>	<u>-</u>	<u>863,683</u>
Total funds	<u>24,265,328</u>	<u>19,779,801</u>	<u>(21,948,799)</u>	<u>(1,199,000)</u>	<u>20,897,330</u>

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Notes to the financial statements for the year ended 31 August 2020 (continued)

15. Funds (continued)

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 and Skills Funding Agency, 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 2020.

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

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

	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>

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Notes to the financial statements for the year ended 31 August 2020 (continued)

15. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows :

	2019/20 Total £	2018/19 Total £
Audley Primary School	185,354	87,576
Beechwood Church of England Primary School	355,982	335,110
Hob Green Primary School	(267,519)	(206,883)
Jervoise School	263,735	250,387
Princethorpe Infant School	162,491	173,631
Princethorpe Junior School	110,931	119,530
The Bromley - Pensnett Primary School	(102,223)	(30,921)
The Oval School	652,706	496,470
Wychall Primary School	46,100	106,017
Trust	(128,661)	(105,693)
Total before fixed assets and pension reserve	<u>1,278,896</u>	<u>1,225,224</u>
Restricted fixed asset fund	38,595,434	39,270,104
Pension reserve	(18,977,000)	(16,230,000)
Total funds	<u>20,897,330</u>	<u>24,265,328</u>

Hob Green Primary School is carrying a net deficit of £267,519 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 Bromley-Pensnett Primary School is carrying a net deficit of £102,223 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 Central Trust is carrying a net deficit of £128,661 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 is taking action to return these funds to surplus. From September 2020 the Trust will transition away from the historic membership fee and implement GAG Pooling as the Trust financial model. This transition will help the schools who have fallen in to a net deficit position and the Executive team will work closely with the budget and future year projections.

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Notes to the financial statements for the year ended 31 August 2020 (continued)

15. Funds (continued)

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) £	2019/20 Total £
Audley Primary School	3,169,961	830,591	149,178	650,835	4,800,565
Beechwood Church of England Primary School	774,194	203,421	17,216	212,652	1,207,483
Hob Green Primary School	1,214,838	348,770	19,187	268,466	1,851,261
Jervoise School	821,079	232,204	28,361	239,541	1,321,185
Princethorpe Infant School	849,301	305,038	16,580	183,053	1,353,972
Princethorpe Junior School	936,413	369,278	24,860	163,931	1,494,482
The Bromley - Pensnett Primary School	1,094,197	270,581	14,076	302,709	1,681,563
The Oval School	2,229,801	603,314	53,929	493,141	3,380,185
Wychall Primary School	1,794,744	445,440	31,737	411,546	2,683,467
Trust	8,719	588,698	468	353,337	951,222
Academy trust	12,893,247	4,197,335	355,592	3,279,211	20,725,385
2019 total	12,238,401	3,961,267	475,083	3,525,394	20,200,145

16. Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	38,429,230	38,429,230
Current assets	863,683	-	2,588,292	166,204	3,618,179
Current liabilities	-	-	(1,986,428)	-	(1,986,428)
	863,683	-	601,864	38,595,434	40,060,981
Creditors due after one year	-	-	(186,651)	-	(186,651)
Pension scheme liability	-	(18,977,000)	-	-	(18,977,000)
Total net assets	863,683	(18,977,000)	415,213	38,595,434	20,897,330

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Notes to the financial statements for the year ended 31 August 2020 (continued)

16. Analysis of net assets between funds (continued)

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	-	-	-	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)
	<u>1,215,631</u>	<u>-</u>	<u>203,987</u>	<u>39,270,104</u>	<u>40,689,722</u>
Creditors due after one year	-	-	(194,394)	-	(194,394)
Pension scheme liability	-	(16,230,000)	-	-	(16,230,000)
Total net assets	<u>1,215,631</u>	<u>(16,230,000)</u>	<u>9,593</u>	<u>39,270,104</u>	<u>24,265,328</u>

17. Capital commitments

	2020 £	2019 £
Contracted for but not provided in the financial statements	<u>49,000</u>	<u>171,000</u>

18. Commitments under operating leases

At 31 August 2020 the total of the multi academy trust's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings		Other	
	Total 2020 £	Total 2019 £	Total 2020 £	Total 2019 £
Amounts due within one year	45,211	34,248	15,438	37,687
Amounts due between one and five years	-	-	5,530	20,968
	<u>45,211</u>	<u>34,248</u>	<u>20,968</u>	<u>58,655</u>

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Notes to the financial statements for the year ended 31 August 2020 (continued)

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

	2019/20	2018/19
	Total	Total
	£	£
Net income/(expenditure) for reporting year (as per the SoFA)	(2,168,998)	(386,254)
Adjusted for :		
Depreciation (note 12)	1,223,414	1,174,615
Capital grants from DfE and other capital income	(503,274)	(567,012)
Cash transferred on conversion to multi academy trust	-	(106,919)
Assets transferred on conversion to multi academy trust	-	(2,176,318)
Interest receivable (note 5)	(574)	(1,546)
Pension liability transferred in (note 24)	750,000	-
Defined benefit pension scheme obligation inherited (note 24)	-	1,102,000
Defined benefit pension scheme cost less contributions payable (note 24)	503,000	501,000
Defined benefit pension scheme finance cost (note 24)	295,000	312,000
Decrease in debtors	8,604	40,607
Increase in creditors	376,778	337,709
Net cash provided by operating activities	483,950	229,882

20. Cash flows from investing activities

	2019/20	2018/19
	Total	Total
	£	£
Interest received	574	1,546
Purchase of tangible fixed assets	(620,002)	(785,042)
Capital grants from DfE Group	503,274	567,012
Net cash used in investing activities	(116,154)	(216,484)

21. Cash flows from financing activities

	2019/20	2018/19
	Total	Total
	£	£
Loan repayments in period	(8,124)	(7,444)
Net cash used in financing activities	(8,124)	(7,444)

22. Analysis of cash and cash equivalents

	At	At
	31 August	31 August
	2020	2019
	£	£
Cash at bank and in hand	2,878,630	2,518,958
	2,878,630	2,518,958

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Notes to the financial statements for the year ended 31 August 2020 (continued)

23. 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.

24. 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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £387,738 (2019 : £256,123) were payable to the schemes at 31 August 2020 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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are :

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

Notes to the financial statements for the year ended 31 August 2020 (continued)

24. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

The next valuation is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,500,027 (2019 : £1,000,402).

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 2020 was £1,521,000 (2019 : £1,508,000), of which employer's contributions totalled £1,275,000 (2019 : £1,276,000) and employees' contributions totalled £246,000 (2019 : £232,000). The agreed contribution rates for future years are 21.3% 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 30 years.

Principal actuarial assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.25%	3.70%
Rate of increase for pensions in payment / inflation	2.25%	2.20%
Discount rate for scheme liabilities	1.65%	1.90%
Inflation assumption (CPI)	2.30%	2.20%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	expectancy in life
Present value of total obligation	£'000s 27,830	+ 0.1% pa 27,097	+ 0.1% pa 28,463	+ 1 year 28,912
Projected service cost	2,132	2,067	2,197	2,214
Present value of total obligation	£'000s 27,830	- 0.1% pa 28,584	- 0.1% pa 27,215	- 1 year 26,787
Projected service cost	2,132	2,197	2,069	2,051

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Notes to the financial statements for the year ended 31 August 2020 (continued)

24. 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 2020	At 31 August 2019
Retiring today		
Males	21.9	20.9
Females	24.1	23.2
Retiring in 20 years		
Males	23.8	22.6
Females	26.0	25.1

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

	31 August 2020	31 August 2019
	£	£
Equities	5,398,000	4,495,000
Government bonds	1,042,000	708,000
Other bonds	372,000	282,000
Property	724,000	609,000
Cash/liquidity	636,000	270,000
Other	1,431,000	1,109,000
Total market value of assets	9,603,000	7,473,000

The actual return on scheme assets was £778,000 (2019 : £413,000).

	2019/20 £	2018/19 £
Amount recognised in the statement of financial activities		
Current service cost	1,773,000	1,776,000
Net interest cost	295,000	312,000
Administration expenses	5,000	1,000
Total amount recognised in the SOFA	2,073,000	2,089,000

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

	2019/20 £	2018/19 £
At 1 September 2019	23,703,000	17,392,000
Transfer in pension liability	750,000	-
Conversion of academy trusts	-	1,102,000
Current service cost	1,773,000	1,439,000
Interest cost	449,000	483,000
Employee contributions	246,000	232,000
Changes in financial assumptions	1,965,000	3,882,000
Benefits paid	(118,000)	(139,000)
Experience gain on defined benefit obligation	(845,000)	-
Changes in demographic assumptions	657,000	(1,025,000)
Past service cost	-	337,000
At 31 August 2020	28,580,000	23,703,000

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Notes to the financial statements for the year ended 31 August 2020 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2019/20	2018/19
	£	£
At 1 September 2019	7,473,000	5,692,000
Interest income	154,000	171,000
Return on assets less interest	624,000	242,000
Employer contributions	1,275,000	1,276,000
Employee contributions	246,000	232,000
Benefits paid	(118,000)	(139,000)
Other actuarial	(46,000)	-
Administration expenses	(5,000)	(1,000)
At 31 August 2020	9,603,000	7,473,000
Net pension scheme liability	(13,977,000)	(16,230,000)

25. 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transaction(s) took place during the year:

Expenditure related party transaction

drb Schools and Academies Services Limited

A company in which Robert Bowater (CEO) has a direct interest

	2020	2019
	£	£
Services provided by related company during period (pre 1/4/19 contracts)	67,224	75,717
Services provided by related company during period (post 1/4/19 contracts)	19,515	-

The trust conducted these transactions at arms' length following the trusts normal tendering procedures 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 statements of assurance confirming this.

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