

---

**drb Ignite Multi Academy Trust**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Year ended 31 August 2017**

Company Registration Number  
09284055 (England and Wales)

**Feltons**  
**Chartered Accountants**

**Birmingham**  
**B1 3JR**

---

**Report and Financial Statements**  
**Period ended 31 August 2017**

<b>Contents</b>	<b>Page</b>
Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	13
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditor's Report on the Financial Statements	20
Independent Reporting Accountant's Report on Regularity	24
Statement of Financial Activities incorporating Income & Expenditure Account	26
Balance Sheet	27
Statement of Cash Flows	28
Notes forming part of the Financial Statements, incorporating:	
• Statement of Accounting Policies	29
• Other Notes to the Financial Statements	34

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

---

**Reference and Administrative Details**

Members:	John McDermott (appointed 31 August 2017) Martin Jackson (appointed 31 August 2017) Worcester Diocesan Academies Trust (appointed 31 August 2017)  Therese Connell (resigned 11 July 2017) Kevin McCabe (resigned 11 July 2017) Cheryl Millard (resigned 11 July 2017) Chris Whittingham (resigned 31 August 2017) Sue Egersdorff (resigned 11 July 2017) David Bagley (resigned 11 July 2017) Robert Bowater (resigned 11 July 2017) Helen Morrison (resigned 31 August 2017)
Trustees:	Richard Martin (Chair) Kevin McCabe Cheryl Millard Viv Randall Ian Swain (appointed 31 <sup>st</sup> August 2017) David Sheldon (appointed 31 <sup>st</sup> August 2017) Catherine Gallagher (appointed 31 <sup>st</sup> August 2017) Linda Jones (appointed 31 <sup>st</sup> August 2017) Worcester Diocesan Academies Trust (appointed 31 <sup>st</sup> August 2017)  Therese Connell (resigned 11 July 2017) Sue Egersdorff (resigned 11 July 2017) Robert Bowater (resigned 11 July 2017) Paul Taylor (resigned 27 January 2017) Helen Morrison (resigned 29 November 2016) David Bagley (resigned 11 July 2017) Christopher Whittingham (resigned 6 June 2017) Andrew James (resigned 11 July 2017)
Accounting Officer:	Robert Bowater (CEO)
Chief Financial Officer:	Chris Finnerty (CFO)
Senior management team:	
Robert Bowater (CEO)	Kevin McCabe (Headteacher)
Chris Finnerty (CFO)	Alvin Walters (BDM)
Sue Egersdorff (Academies Lead)	Geoff Bagley (ACM)
Company name:	drb Ignite Multi Academy Trust
Company registration number:	09284055
Principal and registered office:	Independent auditor:
2nd Floor,	Feltons
3 Brindley Place	8 Sovereign Court
Birmingham	8 Graham Street
B1 2JB	Birmingham B1 3JR
Bankers:	Solicitors:
Lloyds Bank	Anthony Collins Solicitors LLP
114-116 Colmore Row	134 Edmund Street
Birmingham B3 3DP	Birmingham B3 2ES

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

### **Trustees' 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 2017. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The multi academy operates eight primary schools serving catchment areas in Birmingham and Dudley which are:

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

They have a combined pupil capacity of 3,348 and had a roll of 3,231 in the school census on October 2017.

### **Conversion to academy trust**

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

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

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

### **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 multi academy trust. The Trustees of drb Ignite Multi Academy 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.



## **Trustees' report (continued)**

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

### **Members' liability**

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

### **Trustees' indemnities**

The Multi Academy 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 Multi Academy Trust; provided that any insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as trustees of the Multi Academy Trust. The insurance provides cover up to £5,000,000 on any one claim.

### **Method of recruitment and appointment or election of Trustees**

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

Individuals appointed as Non-Executive Directors must demonstrate:

- a set of competencies required by the Trust Board and in line with the DfE Governance Handbook and Competency Framework (2017)
- 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
- a commitment to get to know schools well

The Trust has one Executive director who is employed as an Executive Headteacher within the Trust.

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

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

Newly appointed Trustees attend induction sessions for new appointees, meet regularly with the Trust CEO and Executive Leadership Team and in addition make visits to Trust schools. The Trust has two professional development plans for Trustees:

- Trust Training Plan for Trustees and Governors
- Trust Induction Plan for new Trustees

Further additional training is provided alongside school leaders on the Trust's Performance Accountability Framework and Pupil Progress Tracking System.



## **Trustees' report (continued)**

### **Policies and Procedures Adopted for the Induction and Training of Trustees (continued)**

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

One Trustee is appointed annually as Professional Development Lead, overseeing the training and development opportunities offered to Trustees in line with the associated development plans. The role holder ensures that Trustees are provided with opportunities to receive professional development in accordance with:

- their role and accountabilities as set out in the ESFA Academies Financial Handbook, DfE Governance Handbook and DfE Governance Competency Framework
- the priorities outlined in the Trust's Strategic Business Plan
- individual Trustee self-evaluation using the DfE Governance Competency Framework

The Trust Board regularly consider the regularity, propriety and value for money of all aspects of Trust business, including the actions and behaviours of the CEO / Accounting Officer, Executive leadership team and local governing bodies. The Board recognises the enormous importance of securing Trustees with the right knowledge and skills to carry out their role effectively.

A particular focus over the year has been in relation to governance and financial management following the Financial Notice to Improve (FNTI) placed on the Trust in July 2017 by the Education, Skills and Funding Agency (ESFA). This raised a number of issues around financial probity and governance arrangements within the Trust that required immediate remedial action.

As a direct result of the Financial Notice to Improve (FNTI), a full external review of Trust Governance and Financial Management has been conducted in August 2017 by Bishop Fleming LLP. The Academies Financial Handbook and associated documents were used to audit the Trust's compliance with regard to all matters of governance and financial management and to ensure all remedial actions were completed within the ESFA prescribed timelines.

As part of the above review, a complete audit of Trustee skills and competencies was conducted in August 2017 against the Governance Competencies Framework 2017. This resulted in the resignation of a number of executive Trustees and the appointment of a majority non-executive Board, all of whom have the required skill sets to ensure effective Trust governance. Two CPD Programmes have also been established for Trustees and Members – Programme 1 for newly appointed Trustees / Members and Programme 2 for existing Trustees / Members. Phase 1 of these programmes has now been completed and the second phase will take place between January and March 2018.

The outcomes of both reviews, alongside the specific issues raised in the FNTI form the basis of the Trust's FNTI Rapid Action Plan. Agreed next step action points are as follows:

#### **Financial Management:**

- Complete OJEU Tender for Financial Services contract to be in place by 1<sup>st</sup> March 2018
- Trust High Interest account to be in place in line with Trust Investment Policy by 1<sup>st</sup> January 2018
- Work towards greater economy and efficiency through centralisation of identified functions
- Review Scheme of Delegation for individual Trust School's in relation to Financial Accountabilities of LGB's
- Ensure School Business Managers receive further training and support to understand their role within a growing Multi Academy Trust
- Conduct full review of efficiency and impact of Pupil Premium spend across Trust Schools
- Conduct full review of efficiency and impact of Sports Premium spend across Trust Schools
- Commission short follow up Financial Management Review from Bishop Fleming LLP for April 2018

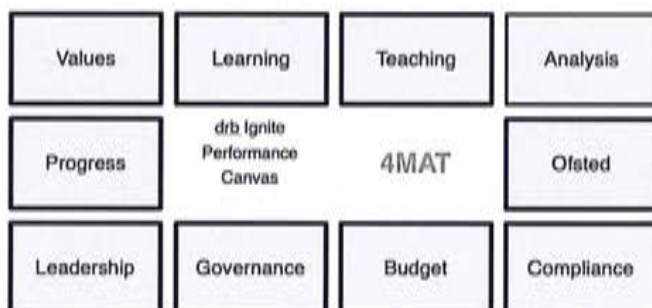
## **Trustees' report (continued)**

### **Governance:**

- Embedding Accountability Framework across Trust Schools at away days planned for January 2018
- Completing work on 'Case for Change' looking at the role and accountabilities of LGB's going forwards. Particular attention to Schemes of Delegation, role of LGB Chair, financial accountability, school standards and narrowing achievement gaps
- All Trustees to be subscribed to the Key for School Governors
- All Trustees to receive Employment Law training in addition to current Training Programme

### **Leadership:**

Since receiving the Financial Notice to Improve, the Trust has introduced the Accountability Performance Framework to support schools and the Trust Board to monitor and evaluate progress and performance across ten key operating areas



These cover the core accountabilities of Trust performance in relation to:

- Governance
- Financial Management
- Standards of School Improvement
- Statutory, regulatory and mandatory compliance
- The management of risk

A recent evaluation submitted to the ESFA demonstrates that the Trust has made significant progress in relation to addressing the specific issues raised in the Financial Notice to Improve.

### **Organisational structure**

The Trust Board has 4 main sub-committees, appointing Trustees and executive leaders to serve on each committee annually. The committees for the period of the Report are:

- Finance
- Risk and Audit
- Achievement Support and Scrutiny
- Local Improvement Board

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



## **Trustees' report (continued)**

### **Organisational structure (continued)**

The Trust's Local Improvement Board structure, with both Trustee and executive leadership members, oversees the progress and performance of all schools with a particular focus on those schools causing concern using the DfE Schools Causing Concern Guidance.

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

These are set out in the Corporate Governance Charter and Scheme of Delegation that can be viewed on the Trust's website.

The Trust Board has a full-time CEO and Accounting Officer who is clear of the responsibilities of the Accounting Officer to the Secretary of State as set out in the Academies Financial Handbook 2017.

Decisions relating to the regularity, propriety and value for money of all aspects of Trust business are reserved for the Finance Sub-Committee and full Trust Board. The associated levels of delegated responsibility to the CEO, Executive Leadership Team, Headteachers and Local Governing Bodies are outlined in the Trust's Scheme of Delegation and Governance Charter.

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

Over the reporting year the Trust has developed an employed infrastructure in response to growth and also the requirements of the Financial Notice to Improve (FNI). The following appointments have been made to ensure the effective delivery of all aspects of Trust business:

CEO / Accounting Officer	FTE	Appointed 1/8/17
Chief Financial Officer	FTE	Appointed 1/8/17
Academies Lead	0.4 FTE	Appointed to March
Business and Operations Manager	FTE	Appointed 1/8/17
Capital and Assets Manager	FTE	Appointed 1/8/17
Administration Support Officer	(vacant)	

As part of this appointment process, full use was made of the DfE information for academy trusts on financial benchmarking and value for money to ensure the Board used all available resource efficiently, benchmarking executive team salaries to those paid in similar trusts as a basis for transparency, scrutiny and challenge.

The following value for money criteria were used by Trustees:

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



## **Trustees' report (continued)**

### **Related parties and other Connected Charities and Organisations**

Following receipt of the ESFA Financial Notice to Improve all issues of related parties with the drb Group have been examined. Connected party issues have now been fully resolved and new arrangements and appointments notified to both the ESFA and DfE in line with the requirements of the Notice and in full compliance with the Academies Financial Handbook.

Until a full OJEU Tendering process can be completed, the Trust has engaged the services of drb Schools and Academies Services Ltd to provide financial management services to Trust schools to March 2018. This work is undertaken based on a clearly defined Service Level Agreement and the services are provided 'at cost' and 'open book'.

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

### **Objectives and activities**

#### **Objects and aims**

##### **One key aim**

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

- developing clear objectives focused on improving teaching
- setting clear expectations and targets for school improvement
- embedding shared values for educational achievement
- working with the Severn Teaching School Alliance
- knowing all schools well

#### **Objectives, strategies and activities**

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

The main objectives for the period are:

##### **1. Workstrand 1: Pupil progress and achievement:**

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

##### **2. Workstrand 2: Trust operations and governance:**

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

##### **3. Workstrand 3: Financial stewardship:**

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

**Trustees' report (continued)**

**4. Workstrand 4: School leadership and professional development:**

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

**5. Workstrand 5: Growth for sustainability:**

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

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

- expansion from four to eight schools from 1 November 2016 representing significant growth and securing greater financial viability
- appointment of external school improvement adviser to challenge and support schools alongside partnership arrangements with the Severn Teaching School Alliance, Telford
- common approach to preparation and submission of CIF applications leading to 6 successful bids with the combined financial value of £744,464
- Development of a robust Governance Charter in response to the external Governance and Financial Management Audits conducted by Bishop Fleming LLP
- development of a Trustee CPD Programme linked to major accountabilities i.e. finance, governance, and school improvement
- Newly Qualified Teacher Programme and Programme for teachers in second year of teaching (RQT)
- Implementation of common Pupil Progress Tracking System (SPTO) centrally and within each Trust school
- REAP Programme to support children with social, emotional and behavioural challenges
- International Erasmus Programme through British Council making links with schools in Finland and Spain
- Shared School CPD opportunities and moderation processes
- Establishment of Trust Safeguarding Plan and Children's Safeguarding Boards in all schools
- Teacher enquiry research project for Early Years looking at the impact of self-regulation on children's learning outcomes (particular focus on removing barriers to learning for children facing disadvantage)

**Public benefit**

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

In setting Trust development priorities, planning associated activities and evaluating the Trust's Business Plan, Trustees give full consideration to the Charity Commission's general guidance on public benefit.

**Equal Opportunities**

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



**Trustees' report (continued)**

**Strategic Report**

**Achievements and Performance**









Highlights for the year:

- Introduction of SPTO Pupil Progress Tracking System across Trust
- Introduction of SIMS financial management system across Trust
- Development of cross Trust Moderation Programme for KS1 and KS2
- Development of NQT Induction Programme
- Development of RQT Programme
- Establishment of Trustees CPD Programme
- Establishment of early years research group

Critical improvement priorities

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

**Overall School Performance Table**

<b>Name of school</b>	<b>Ofsted category overall Judgement</b>	<b>Date last inspection</b>	<b>Date of last external performance review</b>	<b>Latest performance review position</b>
Jervoise Primary School	Good	February 2014	October 2017	
Wychall Primary School	Good	June 2013	October 2017	
Bromley Pensnett Primary School	Requires improvement	January 2014	September 2017	
Beechwood C of E Primary School	Special Measures	HMI visit September 2015	September 2017	
Princethorpe Infant School	Good	November 2013	July 2017	
Audley Primary School	Good	December 2014	June 2017	
The Oval Primary School	Good	June 2013	March 2017	
Hob Green Primary School	Good	September 2013	September 2017	



Trustees' report (continued)

Key Performance Data 2017

Key Stage 2 2017 (16)	Audley	Beech wood	Bromley	Hob Green	Jervoise	Prince thorpe	The Oval	Wychall	National 2017 (2016)
Reading	63 (47)	25 (45)	63 (81)	49 (38)	71 (61)	N/A	76 (49)	41 (65)	71 (66)
Writing	71 (76)	62 (58)	63 (67)	86 (76)	84 (84)		69 (66)	69 (67)	76 (74)
Maths	67 (61)	38 (35)	57 (67)	76 (59)	87 (68)		81 (53)	49 (45)	75(70)
SPAG	69 (68)	50 (45)	53 (76)	76 (44)	87 (61)		81 (61)	51 (77)	77(72)
Combined	54 (37)	25 (25)	37 (57)	TBC	68 (48)		63 (37)	33 (33)	61 (53)
Key Stage 1	Audley	Beech wood	Bromley	Hob Green	Jervoise	Prince thorpe	The Oval	Wychall	National 2017 (2016)
Reading	68 (61)	54 (26)	74 (63)	75 (87)	80 (81)	76 (70)	71 (68)	77 (65)	76 (75)
Writing	38 (64)	52 (26)	63 (63)	71 (83)	74 (81)	70 (60)	62 (52)	75 (57)	68 (65)
Maths	58 (68)	58 (34)	72 (63)	90 (79)	84 (81)	83 (50)	72 (62)	82 (53)	75 (73)
Phonics									
Year 1	79 (71)	71 (71)	76 (76)	82 (79)	76 (76)	55 (70)	76 (85)	70 (70)	81 (81)
Year 2			78 (64)				92 (85)	89 (85)	
Reception									
GLD	56 (55)	60 (69)	65 (63)	60 (43)	66 (67)	57 (37)	64 (64)	72 (60)	71 (69)

Financial key performance indicators:

- Direct costs as a percentage of total costs were 64.5% (2016 : 61.7%)
- Support costs as a percentage of total costs were 35.5% (2016 : 36.6%)
- Total payroll costs as a percentage of recurring income were 75.4% (2016 : 67.6%)

## **Trustees' report (continued)**

### **Going concern**

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

### **Financial Review**

The financial results of drb Ignite Multi Academy are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Multi Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Multi Academy.

During the year ended 31 August 2017 total resources expended were £19,770,207 and the surplus of income over expenditure was £14,170,910 which included depreciation of £980,100.

### **Reserves Policy**

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

It is the board of Trustees' general policy to continue to build reserves which can be used for future educational purposes.

The multi academy had total funds at 31 August 2017 of £26,874,183 which included £5,128 restricted funds not available for general purposes of the multi academy trust, £2,311,919 of free reserves defined as unrestricted funds available for general purposes and £37,918,136 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 £2,317,047.

In addition, the deficit on the restricted pension fund of £13,361,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

### **Investment Policy**

The Board continually monitor the reserves of the Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves. The day to day responsibility for managing this function is delegated to the Chief Financial Officer.

It is the Board's aim to continue to build reserves which will be used for future school improvement and related educational purposes through implementation of an investments policy.

## Trustees' report (continued)

### Principal Risks and Uncertainties

The Trust Board has assessed the major risks to which the Trust is exposed, in particular those relating to governance, financial management and school improvement using the Government's Orange Book. The Board has reviewed systems to assess the risks that schools face, especially in key operational areas including:

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

The principal financial risk facing the Trust going forwards relates to the conditions imposed by the ESFA Financial Notice to Improve. This restricts the Trust from 'on boarding' interested schools until the ESFA Notice is formally lifted. Without further growth over the coming financial year 2017/18, the Trust's deficit position is projected to increase to £111,274 by August 2018.

The Trust's future funding is also dependent upon Government policy priorities for education. The impact on the Trust of any review of Schools' Funding, will be assessed accordingly.


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

### Auditor

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 26 December 2017 and signed on the board's behalf by:

  
..... Richard Martin - Chair



## **Governance statement**

### **Scope of Responsibility**

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

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

### **Governance**

The information on governance included here supplements that described in the Director's Report and in the statement of Director's Responsibilities. The revised Trust Board, established following the Financial Notice to Improve, has formally met twice during the reporting period. Attendance during this period at meetings of the Trust Board was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Richard Martin (Chairman)	2	2
Kevin McCabe (executive)	2	2
Viv Randall (non executive)	2	2
Cheryl Millard (non executive)	1	2
Ian Swain (non executive)	2	2
Catherine Gallagher (non executive)	2	2
David Sheldon (non executive)	2	2
Worcester Diocesan Academies Trust (non executive)	2	2
Linda Jones (non executive)	1	2

The full Review of Governance and Financial Management undertaken in response to the Financial Notice to Improve in **August 2017** highlighted the following areas for immediate action. A rapid Action Plan has been produced, submitted and approved by the ESFA within the prescribed deadlines set out in the Financial Notice to Improve:

- establish majority non-executive board, including revised sub-committee structure with clear lines of accountability to the main board
- recruit non-executive directors with specific business and HR experience and competencies
- consider support for the Board in terms of formal clerking arrangements for meetings and preparation of agenda
- appoint internal executive leadership team and full-time CEO / Accounting Officer
- remove all related party concerns

Subsequent to this the following actions have been taken:

- Board fully reconstituted with revised sub-committee structure established. TOR agreed by Board
- majority new non-executive Directors appointed
- agreement by Board to appoint internal employed infrastructure including full time CEO / Accounting Officer
- full review of Trust's Risk Management processes and register
- further follow up review of governance and financial management planned for early 2018

The Trust intends to conduct its next external review, using Bishop Fleming LLP in **Spring 2018** following a full review of the Business Plan and associated risks scheduled for **16 and 17 January 2018**. This will ensure the Trust Board is fit for purpose to over-see and achieve the agreed improvement priorities.



**Governance statement (continued)**

The **Finance Sub-Committee** is a sub-committee of the main Trust Board. Its TOR and membership were fully reviewed following the Financial Notice to Improve (July 2017). Its key accountabilities are:

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

<b>Membership following Review</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ian Swain – Chair (appointed August 2017)	2	2
David Sheldon (appointed August 2017)	2	2
Richard Martin (appointed August 2017)	2	2
Rob Bowater – CEO (appointed August 2017)	2	2
Chris Finnerty – CFO (appointed August 2017)	2	2

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

**Curriculum and Quality:**

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



## Governance statement (continued)

### Performance and Standards:

- The monitoring and review of the achievement of strategic objectives, in particular the overview of performance against quantitative and qualitative benchmarks for key indicators / outcomes and the Ofsted framework, providing challenge and recommending remedial actions where required in line with the Trust Business Plan
- The monitoring and review of the measures covered in the Rapid Action Plans (RAPs) for sponsored schools and in line with Local Improvement Board (LIB) termly procedures

### Self-Assessment and Review:

- Information on curriculum and quality issues for all the Trust's schools through the use of a 4MAT Performance Canvas for each school
- Progress reports on the implementation of post-Ofsted action plans and any other formal evaluation reports related to the quality and achievement of learning across the Trust, to further inform and develop the Trust's Quality Improvement Plans, Rapid Action Plans and strategies
- Review of outcomes, identifying significant changes in performance, emerging trends and risks in relation to the future performance of each school

Membership	Meetings attended	Out of a possible
Richard Martin (appointed September 2016)	3	3
Kevin McCabe (appointed September 2016)	3	3
Viv Randall (appointed September 2016)	2	3
Sue Egersdorff (appointed September 2016)	3	3

### Review of value for money

The purpose of this section is to demonstrate to all stakeholders that the Trust's use of public assets has supported value for money during the year. A key Trust objective is to achieve value for money not only for the organisation but for the taxpayer more generally. The intention of Directors is to continuously improve both the educational and wider societal outcomes for all pupils within the resources available.

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

The Accounting Officer has considered how the Trust's use of resources has provided good value for money over the Reporting period and reports to the board of Directors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Multi Academy Trust has worked to deliver improved value for money during the period and provides the following three examples:

- Procurement of shared **financial reporting system** – this enables individual school financial data to be systematically monitored and a complete MAT overview maintained
- Procurement of **SPTO Pupil Progress Tracking system** – this provides 'real time' comprehensive school performance and progress data for each MAT school. It allows for the effective sharing of data, moderation of progress measures and effective benchmarking
- Development of cross Trust 4MAT Performance Canvas – this acts as the key **Accountability Framework** for the Trust. It allows for the portrayal of holistic performance, trajectory, risk and mitigation using a simple compliance system



## **Governance statement (continued)**

### **Review of value for money (continued)**

Areas of future focus for 2017 include:

- Embedding use of the SPTO Pupil Progress Tracking System to deliver effective formative and summative reports to Senior Leaders and Directors
- Embedding use of the Trust's Accountability Framework and performance canvas across all schools
- Considering the potential to achieve improved value for money through shared purchasing and procurement approaches
- Pupil Premium Review
- Trustee and Local Governance training following review of local governance capacity and capability
- Focus on the achievement of disadvantaged pupils
- Improvement in the teaching of mathematics and english across all Trust schools.
- School readiness

### **The Purpose of the System of Internal Control**

The Trust's Accountability Framework and associated systems of internal control are designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. They can therefore only provide reasonable and not absolute assurance of effectiveness. The systems of internal control are based on an ongoing process designed to identify and prioritise the risks to the achievement of the Multi Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The Accountability Framework and systems of internal control have been developing over the period to 31 October 2017 and up to the date of approval of the annual report and financial statements. They have also been externally reviewed through a full Financial Management Audit conducted by Bishop Fleming LLP in August 2017.

### **Capacity to handle risk**

The Trust Board has reviewed the key risks to which the Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating and managing the Multi Academy Trust's significant risks that has been in place for the period to 31 October 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board and has been fully externally reviewed by Bishop Fleming LLP in response to the ESFA Financial Notice to Improve (July 2017).

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

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability in line with the Academies Financial Handbook.

It includes:

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

## Governance statement (continued)

The board of Trustees has considered the need for a specific internal audit function to provide an independent oversight of the Trust's affairs. The Trust has appointed Bishop Fleming LLP to undertake this role.

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

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

On a termly basis, the Bishop Fleming LLP Internal Audit Function reports are presented to the board of Trustees, through the finance sub-committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

## Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 20<sup>th</sup> December 2017 and signed on its behalf by:



Richard Martin  
Chair



Robert Bowater  
Accounting Officer



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

**Statement of regularity, propriety and compliance**

As Accounting Officer of drb Ignite Multi Academy Trust, I have considered my responsibility to notify the Board of Trustees and the Education Skills and Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Financial Notice to Improve (FNI) imposed on the Trust in July 2017, the Academies Financial Handbook 2017 and the Governance Handbook 2017.

As a direct result of the Financial Notice to Improve (FNI), a full external review of Trust Governance and Financial Management has been conducted in August 2017 by Bishop Fleming LLP. The Academies Financial Handbook and associated documents were used to audit the Trust's compliance with regard to all matters of governance and financial management and to ensure all remedial actions were completed within the ESFA prescribed timelines.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the 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 2017.

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



..... Robert Bowater – Accounting Officer

20<sup>th</sup> DECEMBER 2017



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

**Statement of Trustees' Responsibilities**

The Trustees (who act as governors of drb Ignite Multi Academy Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education 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 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of Trustees on 20<sup>th</sup> December 2017 and signed on its behalf by:

  
..... Richard Martin – Chair

**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 for the period ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

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 2017, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and 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. 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 of trustees**

As explained more fully in the trustees' responsibilities statement (set out on page 19), the trustees (who are also the directors of the Multi Academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

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



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

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

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

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

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



**David W Farnsworth FCA (Senior Statutory Auditor)**

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

20 December 2017

**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 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the drb Ignite Multi Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to drb Ignite Multi Academy Trust and the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than DRB Ignite Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of drb Ignite Multi Academy Trust's funding agreement with the Secretary of State for Education dated 25 September 2015 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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**

During the year ESFA visited the trust and subsequently issued a Financial Notice to Improve (FNtI). This required the trust to address certain breaches of governance and financial management procedures. The requirements of the FNtI included an independent review of these procedures and this was carried out by Bishop Fleming LLP. The review was completed within deadlines agreed by ESFA and remedial actions have been put in place to deal with any shortcomings some of which had already been addressed after the FNtI was issued.

With the exception of the above, 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 2016 to 31 August 2017 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

20 December 2017

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

Statement of financial activities for the year ended 31 August 2017  
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2017 £	11 months to 31/8/16 £
<b>Income from :</b>							
Donations and capital grants	2	6,486	-	-	811,000	817,486	394,238
Transfer from local authority on conversion	3	1,555,929	(7,704,000)	-	21,525,424	15,377,353	14,345,840
Funding for the academy trust's educational operations	4	572,703	-	17,171,900	-	17,744,603	5,473,627
Other activities	5	-	-	-	-	-	3,625
Investments	6	1,675	-	-	-	1,675	826
<b>Total</b>		<b>2,136,793</b>	<b>(7,704,000)</b>	<b>17,171,900</b>	<b>22,336,424</b>	<b>33,941,117</b>	<b>20,218,156</b>
<b>Expenditure on :</b>							
<b>Charitable activities:</b>							
Academy trust's educational operations	7, 8	420,288	839,000	17,530,819	980,100	19,770,207	5,547,729
Other costs on conversion		-	-	-	-	-	96,154
<b>Total</b>		<b>420,288</b>	<b>839,000</b>	<b>17,530,819</b>	<b>980,100</b>	<b>19,770,207</b>	<b>5,643,883</b>
<b>Net income/(expenditure) before transfers</b>		<b>1,716,505</b>	<b>(8,543,000)</b>	<b>(358,919)</b>	<b>21,356,324</b>	<b>14,170,910</b>	<b>14,574,273</b>
<b>Transfers between funds</b>	16	<b>(408,746)</b>	<b>-</b>	<b>164,999</b>	<b>243,747</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure) after transfers</b>		<b>1,307,759</b>	<b>(8,543,000)</b>	<b>(193,920)</b>	<b>21,600,071</b>	<b>14,170,910</b>	<b>14,574,273</b>
<b>Other recognised gains/(losses)</b>							
Actuarial gains/(losses) on defined benefit pension schemes	16, 25	-	60,000	-	-	60,000	(1,931,000)
<b>Net movement in funds</b>		<b>1,307,759</b>	<b>(8,483,000)</b>	<b>(193,920)</b>	<b>21,600,071</b>	<b>14,230,910</b>	<b>12,643,273</b>
<b>Reconciliation of funds</b>							
Total funds brought forward	16	1,004,160	(4,878,000)	199,048	16,318,065	12,643,273	-
<b>Total funds carried forward</b>		<b>2,311,919</b>	<b>(13,361,000)</b>	<b>5,128</b>	<b>37,918,136</b>	<b>26,874,183</b>	<b>12,643,273</b>

All of the Academy's activities were derived from acquisitions during the current and comparative year.



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

Company number : 09284055

Balance sheet as at 31 August 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		37,635,087		16,244,734
<b>Current assets</b>					
Debtors	14	1,063,245		650,437	
Cash at bank and in hand		<u>2,821,474</u>		<u>1,339,582</u>	
		3,884,719		1,990,019	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15(a)	<u>1,260,326</u>		<u>688,078</u>	
<b>Net current assets</b>			2,624,393		1,301,941
<b>Total assets less current liabilities</b>			<u>40,259,480</u>		<u>17,546,675</u>
Creditors: amounts falling due after more than one year	15(b)		(24,297)		(25,402)
<b>Net assets excluding pension liability</b>			<u>40,235,183</u>		<u>17,521,273</u>
Defined benefit pension scheme liability	25		(13,361,000)		(4,878,000)
<b>Total net assets</b>			<u>26,874,183</u>		<u>12,643,273</u>
<b>Funds of the academy trust :</b>					
<b>Restricted funds</b>					
Fixed asset fund	16	37,918,136		16,318,065	
General fund	16	5,128		199,048	
Pension reserve	16	<u>(13,361,000)</u>		<u>(4,878,000)</u>	
<b>Total restricted funds</b>			24,562,264		11,639,113
<b>Unrestricted income funds</b>	16		2,311,919		1,004,160
<b>Total funds</b>			<u>26,874,183</u>		<u>12,643,273</u>

The financial statements on pages 26 to 53 were approved by the trustees, and authorised for issue on 20<sup>th</sup> December 2017 and are signed on their behalf by:



Richard Martin - Chair

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

Statement of cash flows for the year ended 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	20	(40,579)	401,448
Cash transferred on conversion to academy trust		1,555,929	967,442
Cash flows from investing activities	21	(32,353)	(28,203)
Cash flows from financing activities	22	(1,105)	(1,105)
		<u>1,481,892</u>	<u>1,339,582</u>
Cash and cash equivalents at 1 September 2016		1,339,582	-
Cash and cash equivalents at 31 August 2017	23	<u>2,821,474</u>	<u>1,339,582</u>



**Notes to the financial statements for the year ended 31 August 2017**

**1. Statement of 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 2016 to 2017 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 grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

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

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

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**1. Statement of 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.



Notes to the financial statements for the year ended 31 August 2017 (continued)

1. Statement of 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.

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

Long leasehold buildings	- straight line over 50 years
Fittings and equipment	- 15% straight line
Computer hardware	- 20 to 25% straight line

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

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

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.

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**1. Statement of accounting policies (continued)**

**Leased assets**

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

**Taxation**

The multi academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the multi academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the multi academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the year to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the multi academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the 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 2017 (continued)**

**1. Statement of accounting policies (continued)**

**Fund accounting**

Unrestricted income funds represent resources which may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education 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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

Notes to the financial statements for the year ended 31 August 2017 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017 £	11 months to 31/8/16 £
Capital grants	-	-	811,000	811,000	364,175
Local authority funding	-	-	-	-	19,203
Other donations	6,486	-	-	6,486	10,860
	<u>6,486</u>	<u>-</u>	<u>811,000</u>	<u>817,486</u>	<u>394,238</u>
<b>2016 total</b>	<u>10,860</u>	<u>-</u>	<u>383,378</u>	<u>394,238</u>	

3. Transfers from local authority on conversion

	Unrestricted funds £	Restricted pension funds £	Restricted general fund £	Restricted fixed asset funds £	Total 31/8/17 £
Fixed assets	-	-	-	21,525,424	21,525,424
Surplus on LA funds	1,540,274	-	-	-	1,540,274
Other assets	15,655	-	-	-	15,655
LGPS pension (deficit)	-	(7,704,000)	-	-	(7,704,000)
	<u>1,555,929</u>	<u>(7,704,000)</u>	<u>-</u>	<u>21,525,424</u>	<u>15,377,353</u>

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

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017 £	11 months to 31/8/16 £
<b>DfE/ESFA grants</b>					
General Annual Grant (GAG)	-	13,543,203	-	13,543,203	3,939,967
Start up grants	-	-	-	-	100,000
Other DfE/ESFA grants	-	2,336,784	-	2,336,784	676,672
	<u>-</u>	<u>15,879,987</u>	<u>-</u>	<u>15,879,987</u>	<u>4,716,639</u>
<b>Other government grants</b>					
Local authority grants	-	1,276,583	-	1,276,583	604,481
Other grants	-	15,330	-	15,330	22,590
	<u>-</u>	<u>1,291,913</u>	<u>-</u>	<u>1,291,913</u>	<u>627,071</u>
Other income from the academy trust's educational operations	572,703	-	-	572,703	129,917
	<u>572,703</u>	<u>1,291,913</u>	<u>-</u>	<u>1,864,616</u>	<u>756,988</u>
	<u>572,703</u>	<u>17,171,900</u>	<u>-</u>	<u>17,744,603</u>	<u>5,473,627</u>
<b>2016 total</b>	<u>129,917</u>	<u>5,343,710</u>	<u>-</u>	<u>5,473,627</u>	



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

Notes to the financial statements for the year ended 31 August 2017 (continued)

5. Other activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	11 months to 31/8/16 £
Hire of facilities	-	-	-	3,625
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,625</u>
<b>2016 total</b>	<u>3,625</u>		<u>3,625</u>	

6. Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	11 months to 31/8/16 £
Short term deposits	1,675	-	1,675	826
<b>2016 total</b>	<u>826</u>	<u>-</u>	<u>826</u>	

7. Expenditure

	Staff costs £	Non pay expenditure		Total 2017 £	11 months to 31/8/16 £
		Premises £	Other £		
Academy's educational operations					
Direct costs	10,870,777	553,896	1,295,826	12,720,499	3,483,902
Allocated support costs	3,128,172	1,351,838	2,569,698	7,049,708	2,063,827
	<u>13,998,949</u>	<u>1,905,734</u>	<u>3,865,524</u>	<u>19,770,207</u>	<u>5,547,729</u>
<b>2016 total</b>	<u>3,966,933</u>	<u>619,854</u>	<u>960,942</u>	<u>5,547,729</u>	

Net income/(expenditure) for the period includes :

		2017 £	2016 £
Operating leases	- plant and machinery	58,681	5,173
	- other	282	-
Depreciation		980,100	326,683
Interest paid on equal pay loan		676	635
Fees payable to auditor	- audit	25,000	8,000
		<u></u>	<u></u>

Notes to the financial statements for the year ended 31 August 2017 (continued)

8. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2017 £	11 months to 31/8/16 £
<b>Educational operations</b>					
Direct costs	292,344	-	12,428,155	12,720,499	3,483,902
Support costs	127,944	839,000	6,082,764	7,049,708	2,063,827
	<u>420,288</u>	<u>839,000</u>	<u>18,510,919</u>	<u>19,770,207</u>	<u>5,547,729</u>
<b>2016 total</b>	<u>87,510</u>	<u>194,000</u>	<u>5,266,219</u>	<u>5,547,729</u>	
<b>Analysis of support costs</b>					
Support staff	-	839,000	2,289,172	3,128,172	964,853
Depreciation	-	-	426,204	426,204	114,338
Technology costs	-	-	23,875	23,875	13,786
Premises costs	19,073	-	991,041	1,010,114	293,171
Other support costs	108,871	-	2,323,771	2,432,642	660,596
Governance costs	-	-	28,701	28,701	17,083
<b>Total support costs</b>	<u>127,944</u>	<u>839,000</u>	<u>6,082,764</u>	<u>7,049,708</u>	<u>2,063,827</u>
<b>2016 total</b>	<u>18,943</u>	<u>194,000</u>	<u>1,850,884</u>	<u>2,063,827</u>	

9. Staff

a) Staff costs

Staff costs during the year were:

	Total 2017 £	11 months to 31/8/16 £
Wages and salaries	9,389,806	2,840,730
Social security costs	846,980	222,176
Operating costs of defined benefit pension schemes	2,678,270	694,455
Apprenticeship levy	8,424	-
	<u>12,923,480</u>	<u>3,757,361</u>
Supply staff costs	1,075,469	205,112
Staff restructuring costs	-	4,460
	<u>13,998,949</u>	<u>3,966,933</u>



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

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**9. Staff (continued)**

	<b>Total 2017 £</b>	<b>11 months to 31/8/16 £</b>
Staff restructuring costs comprise :		
Severance payments	-	4,460
	<u>-</u>	<u>4,460</u>

**b) Staff severance payments**

Included in staff restructuring costs is a single non-statutory/non-contractual severance payment totalling £nil (2016 : £4,460).

**c) Staff numbers**

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

	<b>2017 Number</b>	<b>2016 Number</b>
Teachers	219	100
Administration and support	169	72
Management	<u>2</u>	<u>2</u>
	<u>390</u>	<u>174</u>

**d) Higher paid staff**

	<b>2017 Number</b>	<b>2016 Number</b>
The number of employees whose employee benefits (excluding employer pension costs) on an annualised basis exceeded £60,000 was :		
£60,001 - £70,000	5	-
£70,001 - £80,000	1	1
£80,001 - £90,000	2	1
£90,001 - £100,000	1	-
£100,001 - £110,000	<u>1</u>	<u>-</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) received by key management personnel for their services to the multi academy trust was £239,709 (2016 : £259,434)

Notes to the financial statements for the year ended 31 August 2017 (continued)

10. Central services

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

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

The actual amounts charged during the year were as follows :

	2017 £	2016 £
Audley Primary School	136,717	-
Beechwood Church of England Primary School	61,941	10,358
Hob Green Primary School	55,337	-
Jervoise School	33,927	36,299
Princethorpe Infant School	39,973	-
The Bromley-Pensnett Primary School	35,817	48,443
The Oval School	113,848	-
Wychall Primary School	83,142	74,706
	<u>560,702</u>	<u>169,806</u>

11. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the multi academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

Therese Connell (headteacher and trustee from 01/10/2015 until 11/7/17)

Remuneration	£90,000 - £95,000 (2016 : £75,000 - £80,000)
Employer's pension contributions paid	£15,000 - £20,000 (2016 : £10,000 - £15,000)

Kevin McCade (executive headteacher and trustee 01/10/2015)

Remuneration	£100,000 - £105,000 (2016 : £65,000 - £70,000)
Employer's pension contributions paid	£10,000 - £15,000 (2016 : £10,000 - £15,000)

During the year ended 31 August 2017, travel and subsistence expenses totalling £4,826 (2016 : £5,183) were reimbursed or paid directly to two (2016 : three) trustees. Other related party transactions involving the trustees are set out in note 26.



Notes to the financial statements for the year ended 31 August 2017 (continued)

12. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £7,750 (2016 : £3,710). The cost of this insurance is included in the total insurance cost.

13. Tangible fixed assets

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
<b>Cost or valuation</b>				
At 1 September 2016	16,085,610	192,093	293,715	16,571,418
Transfer on conversion	20,703,601	279,519	542,304	21,525,424
Additions	671,741	101,776	71,511	845,028
At 31 August 2017	<u>37,460,952</u>	<u>573,388</u>	<u>907,530</u>	<u>38,941,870</u>
<b>Depreciation</b>				
At 1 September 2016	256,868	21,689	48,127	326,684
Charge for the year	709,583	79,394	191,122	980,099
At 31 August 2017	<u>966,451</u>	<u>101,083</u>	<u>239,249</u>	<u>1,306,783</u>
<b>Net book values</b>				
At 31 August 2017	<u>36,494,501</u>	<u>472,305</u>	<u>668,281</u>	<u>37,635,087</u>
At 31 August 2016	<u>15,828,742</u>	<u>170,404</u>	<u>245,588</u>	<u>16,244,734</u>

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

Cost or valuation at 31 August 2017 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
Cost	<u>1,016,261</u>	<u>124,579</u>	<u>116,597</u>	<u>1,257,437</u>
	<u>37,460,952</u>	<u>573,388</u>	<u>907,530</u>	<u>38,941,870</u>

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

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**13. Tangible fixed assets (continued)**

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

- Audley Primary School, Audley Road, Birmingham B33 9HY
- Hob Green Primary School, 21 Hob Green Road, Stourbridge DY9 9EX
- Princethorpe Infant School, Princethorpe Road, Birmingham B29 5QB
- The Oval School, Whittington Oval, Birmingham B33 8JG

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

**14. Debtors**

	<b>Total 2017 £</b>	<b>11 months to 31/8/16 £</b>
Debtors from operations	5,572	-
VAT recoverable	276,156	144,292
Prepayments and accrued income	779,547	468,343
Other debtors	1,970	37,802
	<u>1,063,245</u>	<u>650,437</u>

**15. Creditors**

	<b>Total 2017 £</b>	<b>11 months to 31/8/16 £</b>
<b>(a) Amounts falling due within one year :</b>		
Creditors from operations	233,611	510,252
Other taxation and social security	54,586	30,050
Accruals and deferred income	827,278	100,175
Other creditors	144,851	47,601
	<u>1,260,326</u>	<u>688,078</u>
<b>Deferred income</b>		
Deferred income at 1 September 2016	53,022	-
Resources deferred in the year	301,957	53,022
Amounts released from previous years	(53,022)	-
Deferred income at 31 August 2017	<u>301,957</u>	<u>53,022</u>

At the balance sheet date the multi academy trust was holding funds received in advance from the ESFA for universal free school meals, CIF capital grant funding and rates relief.



Notes to the financial statements for the year ended 31 August 2017 (continued)

15. Creditors (continued)

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

Other creditors	24,297	25,402
-----------------	--------	--------

Other creditors due after more than one year represents a loan from Dudley Metropolitan Borough Council repayable in yearly instalments with annual interest charged at the Authority's actual General Fund Borrowing Rate (currently approximately 2.4%). The amount repayable after more than five years is £19,877 (2016 : £20,982). The amount due within one year is shown in note 15(a)

16. Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	211,105	13,543,203	(13,886,996)	163,218	30,530
Start up grant	14,450	-	(14,450)	-	-
Pupil Premium	-	2,061,351	(2,061,351)	-	-
LA (deficit) on conversion	(26,507)	-	(676)	1,781	(25,402)
Other grants	-	1,567,346	(1,567,346)	-	-
	<u>199,048</u>	<u>17,171,900</u>	<u>(17,530,819)</u>	<u>164,999</u>	<u>5,128</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	15,840,854	21,525,424	(923,968)	-	36,442,310
DfE/ESFA capital grants	353,335	801,000	(27,337)	-	1,126,998
Capital expenditure from GAG	107,606	-	(26,432)	219,001	300,175
Other capital grants	-	10,000	(330)	-	9,670
From unrestricted funds	16,270	-	(2,033)	24,746	38,983
	<u>16,318,065</u>	<u>22,336,424</u>	<u>(980,100)</u>	<u>243,747</u>	<u>37,918,136</u>
<b>Pension reserve</b>	<u>(4,878,000)</u>	<u>(7,704,000)</u>	<u>(839,000)</u>	<u>60,000</u>	<u>(13,361,000)</u>
<b>Total restricted funds</b>	<u>11,639,113</u>	<u>31,804,324</u>	<u>(19,349,919)</u>	<u>468,746</u>	<u>24,562,264</u>
<b>Unrestricted funds</b>					
Other income	1,004,160	2,136,793	(420,288)	(408,746)	2,311,919
<b>Total unrestricted funds</b>	<u>1,004,160</u>	<u>2,136,793</u>	<u>(420,288)</u>	<u>(408,746)</u>	<u>2,311,919</u>
<b>Total funds</b>	<u>12,643,273</u>	<u>33,941,117</u>	<u>(19,770,207)</u>	<u>60,000</u>	<u>26,874,183</u>

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

**Restricted general funds**

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education 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 2017.

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

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**16. Funds (continued)**

**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 Borough Council where the asset acquired or created is held for a specific purpose.

**Total funds analysis by academy**

Fund balances at 31 August 2017 were allocated as follows :

	<b>Total 2017 £</b>	<b>11 months to 31/8/16 £</b>
Audley Primary School	288,327	-
Beechwood Church of England Primary School	344,798	331,177
Hob Green Primary School	18,333	-
Jervoise School	342,975	297,411
Princethorpe Infant School	116,733	-
The Bromley-Pensnett Primary School	(31,023)	65,745
The Oval School	583,438	-
Wychall Primary School	632,263	550,732
DRB Ignite Multi Academy Trust	21,203	(41,857)
<b>Total before fixed assets and pension reserve</b>	<b>2,317,047</b>	<b>1,203,208</b>
<b>Restricted fixed asset fund</b>	<b>37,918,136</b>	<b>16,318,065</b>
<b>Pension reserve</b>	<b>(13,361,000)</b>	<b>(4,878,000)</b>
<b>Total funds</b>	<b>26,874,183</b>	<b>12,643,273</b>

The Bromley-Pensnett Primary School is carrying a net deficit of £31,023 on funds before fixed assets and pension reserve. This is due to an in-year reduction of early years pupil numbers which has reduced their funding.

At the start of the 2016/17 financial year, the school estimated their early years pupil number funding to be £121,091. Due to an in-year reduction of pupil numbers, this estimated funding has been reduced by (£25,325), reducing estimated funding to actual funding of £95,766. As the school already had a tight budget, this left the school in a cumulative deficit position at the end of the 2016/17 financial year

From September 2017, the school has admitted an additional 29 pupils which has had a very positive effect on the schools budget, resulting in a projected surplus balance at the end of the 2017/18 financial year. The Trust is working very closely with the school to monitor the budget / future year projections and will have regular meetings going forwards.



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

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**16. 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) £	Total £
Audley Primary School	2,771,594	673,212	206,261	794,883	4,445,950
Beechwood Church of England Primary School	685,610	146,254	36,814	533,218	1,401,896
Hob Green Primary School	848,010	262,201	50,082	205,904	1,366,197
Jervoise School	863,397	235,343	44,567	339,287	1,482,594
Princethorpe Infant School	717,959	268,472	29,728	275,436	1,291,595
The Bromley-Pensnett Primary School	997,762	274,417	17,692	313,900	1,603,771
The Oval School	2,480,384	632,661	93,086	731,678	3,937,809
Wychall Primary School	1,506,061	612,598	116,871	705,024	2,940,554
DRB Ignite Multi Academy Trust	-	23,014	-	296,727	319,741
<b>Academy trust</b>	<b>10,870,777</b>	<b>3,128,172</b>	<b>595,101</b>	<b>4,196,057</b>	<b>18,790,107</b>
<b>2016 total</b>	<b>3,002,080</b>	<b>964,853</b>	<b>129,538</b>	<b>1,220,729</b>	<b>5,317,200</b>

**17. Analysis of net assets between funds**

Fund balances at 31 August 2017  
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	37,635,087	37,635,087
Current assets	2,311,919	-	1,289,751	283,049	3,884,719
Current liabilities	-	-	(1,260,326)	-	(1,260,326)
	2,311,919	-	29,425	37,918,136	40,259,480
Creditors due after one year	-	-	(24,297)	-	(24,297)
Pension scheme liability	-	(13,361,000)	-	-	(13,361,000)
<b>Total net assets</b>	<b>2,311,919</b>	<b>(13,361,000)</b>	<b>5,128</b>	<b>37,918,136</b>	<b>26,874,183</b>

**18. Capital commitments**

	2017 £	2016 £
Contracted for but not provided in the financial statements	266,000	73,000

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

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**19. Commitments under operating leases**

At 31 August 2017 the total of the multi academy trust's future minimum lease payments under non-cancellable operating leases was:

	Other	
	Total 2017	Total 2016
	£	£
Amounts due within one year	17,999	21,137
Amounts due between one and five years	41,145	51,378
	<u>59,144</u>	<u>72,515</u>

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

	Total 2017	Total 2016
	£	£
Net income/(expenditure) for reporting year (as per the SoFA)	14,170,910	14,574,273
Adjusted for :		
Depreciation (note 13)	980,099	326,683
Capital grants from DfE and other capital income	(811,000)	(383,378)
Cash transferred on conversion to multi academy trust	(1,555,929)	(967,442)
Assets transferred on conversion to multi academy trust	(21,525,424)	(16,159,010)
Loan deficit inherited on conversion to multi academy trust	-	27,612
Interest receivable (note 6)	(1,675)	(826)
Defined benefit pension scheme obligation inherited	7,704,000	2,753,000
Defined benefit pension scheme cost less contributions payable (note 25)	1,049,000	265,000
Defined benefit pension scheme finance cost/(income) (note 25)	(210,000)	(71,000)
Decrease / (increase) in debtors	(412,808)	(650,437)
Increase / (decrease) in creditors	572,248	686,973
<b>Net cash provided by / (used in) operating activities</b>	<u>(40,579)</u>	<u>401,448</u>

**21. Cash flows from investing activities**

	Total 2017	11 months to 31/8/16
	£	£
Interest received	1,675	826
Purchase of tangible fixed assets	(845,028)	(412,407)
Capital grants from DfE/ESFA	811,000	364,175
Capital funding from others	-	19,203
<b>Net cash provided by / (used in) investing activities</b>	<u>(32,353)</u>	<u>(28,203)</u>



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

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**22. Cash flows from financing activities**

	<b>At 31 August 2017 £</b>	<b>At 31 August 2016 £</b>
Loan repayments in period	(1,105)	(1,105)
<b>Net cash provided by / (used in) financing activities</b>	<b>(1,105)</b>	<b>(1,105)</b>

**23. Analysis of cash and cash equivalents**

	<b>At 31 August 2017 £</b>	<b>At 31 August 2016 £</b>
Cash at bank and in hand	2,821,474	1,339,582
	<b>2,821,474</b>	<b>1,339,582</b>

**24. Member's liability**

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

**25. Pension and similar obligations**

The multi academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

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

Contributions amounting to £11,775 (2016 : £27,478) were payable to the schemes at 31 August 2017 and are included within creditors.

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**25. Pension and similar obligations (continued)**

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the year amounted to £891,598 (2016 : £255,798).

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

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



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

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**25. Pension and similar obligations (continued)**

**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 2017 was £1,000,984 (2016 : £505,152), of which employer's contributions totalled £798,272 (2016 : £439,196) and employees' contributions totalled £202,712 (2016 : £65,956). The agreed contribution rates for future years are between 17.4% and 22.2% for employers and between 5.5% and 6.8% for employees.

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

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

**Principal actuarial assumptions**

	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
Rate of increase in salaries	4.20%	3.75%
Rate of increase for pensions in payment / inflation	2.70%	2.00%
Discount rate for scheme liabilities	2.60%	2.20%
Inflation assumption (CPI)	2.70%	2.00%
Commutation of pensions to lump sums	50.00%	50.00%

**Sensitivity analysis**

	<b>As disclosed</b>	<b>Discount rate</b>	<b>Pension increases</b>	<b>In life expectancy</b>
		<b>+ 0.1% pa</b>	<b>+ 0.1% pa</b>	<b>+ 1 year</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Present value of total obligation	17,780	17,295	18,132	18,345
Projected service cost	1,527	1,484	1,565	1,576
		<b>- 0.1% pa</b>	<b>- 0.1% pa</b>	<b>- 1 year</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Present value of total obligation	17,780	18,279	17,438	17,229
Projected service cost	1,527	1,571	1,490	1,479

Notes to the financial statements for the year ended 31 August 2017 (continued)

25. Pension and similar obligations (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 2017	At 31 August 2016
Retiring today		
Males	21.8	23.1
Females	24.3	25.8
Retiring in 20 years		
Males	24.0	25.3
Females	26.6	28.1

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,796,000	853,000
Government bonds	323,000	100,000
Other bonds	171,000	124,000
Property	323,000	116,000
Cash/liquidity	219,000	92,000
Other	587,000	155,000
<b>Total market value of assets</b>	<b>4,419,000</b>	<b>1,440,000</b>

The actual return on scheme assets was £557,000 (2016 : £193,000).

	2017 £	2016 £
<b>Amount recognised in the statement of financial activities</b>		
Current service cost (net of employee contributions)	1,455,000	300,000
Net interest cost	273,000	90,000
<b>Total amount recognised in the SOFA</b>	<b>1,728,000</b>	<b>390,000</b>



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

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**25. Pension and similar obligations (continued)**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>At 1 September 2016</b>	6,318,000	-
Conversion of academy trusts	9,113,000	3,738,000
Current service cost	1,455,000	300,000
Interest cost	347,000	122,000
Changes in financial assumptions	123,000	2,092,000
Change in demographic assumptions	(117,000)	-
Experience (gain) on defined benefit obligation	473,000	-
Benefits paid net of transfers in	(135,000)	-
Contributions by participants	203,000	66,000
<b>At 31 August 2017</b>	<b>17,780,000</b>	<b>6,318,000</b>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>At 1 September 2016</b>	1,440,000	-
Conversion of academy trusts	1,409,000	985,000
Interest income	74,000	32,000
Return on assets less interest	483,000	161,000
Other actuarial (losses)	56,000	-
Employer contributions	889,000	196,000
Contributions by participants	203,000	66,000
Benefits paid net of transfers in	(135,000)	-
<b>At 31 August 2017</b>	<b>4,419,000</b>	<b>1,440,000</b>

**26. Related party transactions**

Owing to the nature of the multi academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest.

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

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**26. Related party transactions (continued)**

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

**drb Contract Cleaning Limited**

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

Services recharged to related company during the period

2017 £	2016 £
-	12,078

**drb Facilities Management Limited**

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

Services recharged to related company during the period

2017 £	2016 £
-	3,497

**drb Ignite Limited**

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

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

2017 £	2016 £
20,920	10,527
-	(16,488)
-	822

**drb Schools and Academies Services Limited**  
**(formerly drb Learning Limited)**

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

Services recharged to related company during the period

2017 £	2016 £
1,840	458

**drb Marketing Limited**

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

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

2017 £	2016 £
4,550	12,988
-	9,318

**drb Schools and Academies Limited**

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

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

2017 £	2016 £
395,429	196,819
-	2,539



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

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**26. Related party transactions (continued)**

**Sue Egersdorff Associates Ltd**

A company in which Sue Egersdorff (director) has a direct interest

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

2017	2016
£	£
67,537	59,575
-	17,222

**Learning Horizons Consultants Limited**

A company in which Richard Martin (Chair of Trustees) has a direct interest

Services recharged by related company during the year

2017	2016
£	£
6,065	-

**27. Conversion to an academy trust**

During the year the following schools converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to drb Ignite Multi Academy Trust from the relevant local authorities for £nil consideration.

Academy	Date of conversion	Local Authority
Audley Primary School	1/10/16	Birmingham City Council
Hob Green Primary School	1/11/16	Dudley Metropolitan Borough Council
Princethorpe Infant School	1/10/16	Birmingham City Council
The Oval School	1/09/16	Birmingham City Council

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

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

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**27. Conversion to an academy trust (continued)**

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

**Audley Primary School**

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets					
Leasehold land and buildings	-	-	-	7,600,999	7,600,999
Other tangible fixed assets	-	-	-	345,187	345,187
Budget surplus/(deficit) on LA funds	445,810	-	-	-	445,810
LGPS pension (deficit)	-	(3,144,000)	-	-	(3,144,000)
Other identified assets	-	-	-	-	-
<b>Total net assets</b>	<b>445,810</b>	<b>(3,144,000)</b>	<b>-</b>	<b>7,946,186</b>	<b>5,247,996</b>

The above net assets include £445,810 transferred as cash.

**Hob Green Primary School**

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets					
Leasehold land and buildings	-	-	-	4,738,518	4,738,518
Other tangible fixed assets	-	-	-	353,037	353,037
Budget surplus/(deficit) on LA funds	83,178	-	-	-	83,178
LGPS pension (deficit)	-	(1,198,000)	-	-	(1,198,000)
Other identified assets	3,370	-	-	-	3,370
<b>Total net assets</b>	<b>86,548</b>	<b>(1,198,000)</b>	<b>-</b>	<b>5,091,555</b>	<b>3,980,103</b>

The above net assets include £86,548 transferred as cash.

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

**Notes to the financial statements for the year ended 31 August 2017 (continued)**

**27. Conversion to an academy trust (continued)**

**Princethorpe Infant School**

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets					
Leasehold land and buildings	-	-	-	2,626,863	2,626,863
Other tangible fixed assets	-	-	-	41,361	41,361
Budget surplus/(deficit) on LA funds	204,692	-	-	-	204,692
LGPS pension (deficit)	-	(838,000)	-	-	(838,000)
Other identified assets	5,206	-	-	-	5,206
<b>Total net assets</b>	<b>209,898</b>	<b>(838,000)</b>	<b>-</b>	<b>2,668,224</b>	<b>2,040,122</b>

The above net assets include £209,898 transferred as cash.

**The Oval School**

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets					
Leasehold land and buildings	-	-	-	5,794,361	5,794,361
Other tangible fixed assets	-	-	-	25,098	25,098
Budget surplus/(deficit) on LA funds	806,594	-	-	-	806,594
LGPS pension (deficit)	-	(2,524,000)	-	-	(2,524,000)
Other identified assets	3,910	-	-	-	3,910
<b>Total net assets</b>	<b>810,504</b>	<b>(2,524,000)</b>	<b>-</b>	<b>5,819,459</b>	<b>4,105,963</b>

The above net assets include £810,504 transferred as cash.

The transfer agreements require the company to run the stated schools on their present site; transfer all property, undertakings, rights, assets whether tangible or intangible to the academy trust; and set out the responsibilities of the academies with regards to the employees of the former local authority controlled school. The transfers include the lease of property for a period of 125 years.