

C/11

Registered number: 07035556

**DRAPERS' MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**



**DRAPERS' MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Members**                      The Drapers' Company  
Queen Mary University of London  
A Morris (resigned 30 September 2016)  
S Beharrell (appointed 27 October 2016)

**Trustees**

A Morris, Chairman<sup>1</sup>  
T Orchard<sup>1</sup>  
Prof M Shiach<sup>1</sup>  
S Foakes<sup>1</sup>  
Prof V Davis<sup>1</sup>  
T Harris<sup>1</sup>  
M Shore-Nye (resigned 9 November 2015)<sup>1</sup>  
D Sumner<sup>1</sup>  
J Morgan (appointed 9 November 2015)<sup>1</sup>

<sup>1</sup> Denotes Director of the charitable company for the purposes of company law

**Company registered  
number**                      07035556

**Company name**              Drapers' Multi-Academy Trust

**Principal and registered  
office**                      Drapers' Academy  
1 Settle Road, Harold Hill, Romford  
London  
RM3 9XR

**Company secretary**        S Beeson

**Chief operating officer**    S Beeson

**Executive leadership  
team**

S Beeson, Chief Operating Officer and Accounting Officer  
D Luckhurst, Principal, Drapers' Academy  
A Winch, Principal Drapers' Brookside Junior School  
T Spillane, Principal, Drapers' Maylands Primary School  
S Monk, Vice Principal, Drapers' Academy  
S McGuinness, Vice Principal, Drapers' Academy  
M Stoller, Vice Principal, Drapers' Brookside Junior School  
J Armstrong, Head of Sixth Form

**Independent auditors**      Landau Baker Limited  
Chartered Accountants  
Mountcliff House  
154 Brent Street  
London  
NW4 2DR

**Bankers**                      Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS**  
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**Advisers (continued)**

<b>Solicitors</b>	Stone King LLP 13 Queen Square Bath BA1 2HJ
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees present their annual report together with the audited financial statements of Drapers' Multi-Academy Trust (the MAT) for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

This report and financial statements covers the sixth academic year of Drapers' Academy the second full academic year for Drapers' Brookside Junior School, which joined the MAT as a sponsored Academy on 1st July 2014 and the first year of Drapers' Maylands Primary School, a new Free School which admitted its first pupils in September 2015. The year focused on making sustained efforts to further raise academic standards. Overall the Trustees consider considerable progress has been made in establishing a sound framework for the future development of the MAT.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The MAT is a company limited by guarantee with no share capital (registration no. 07035556 and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy. Members of the charitable company are nominated by either The Drapers' Company or Queen Mary, University of London, the sponsors of the MAT. The articles of association require the members of the charitable company to appoint at least four Trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the MAT.

### **Members' liability**

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

### **Trustees**

Trustees are subject to retirement at the end of their 4 year term, except where they are sponsor appointed Trustees, where their term is determined by the Sponsor. For those with fixed term appointments, they are eligible for re-election at the meeting at which they retire.

The Trustees who were in office at 31 August 2016 and served throughout the year, except where shown are listed on page 3.

During the year under review the Trustees held 3 principal meetings. The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

### **Organisational Structure**

The organisational structure consists of three levels: the Trustees, the executive leadership team and the senior leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring all aspects of the MAT's performance and making major decisions about the direction of the schools within the MAT, capital expenditure and senior staff appointments.

The executive leadership team are the Principals, Vice Principals, Head of Sixth Form and the Chief Operating

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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Officer. These managers control the schools at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the executive leadership team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the leadership team always contain a Trustee. Some spending control is devolved to members of the senior leadership team (which comprises the executive leadership team plus Assistant Vice Principals and Phase Leaders), with limits above which a member of the executive leadership team must countersign.

### **Connected Organisations**

The Drapers' Company is principal sponsor of the academy, and Queen Mary University of London is a co-sponsor.

### **Risk management**

The Trustees have assessed the major risks to which the MAT is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the schools, and their finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The MAT has an effective system of internal financial controls and this is explained in more detail in the following statement.

### **Trustees' Indemnities**

Subject to the provisions of the Companies Act, every trustee or other officer of the MAT shall be indemnified out of the assets of the MAT against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the MAT.

## **OBJECTIVES AND ACTIVITIES**

### **Objects, aims and objectives**

The principal object and activity of the charitable company is the operation of the Drapers' Academy, Drapers' Brookside Junior School and Drapers' Maylands Primary School to provide education for pupils of different abilities between the ages of 5 and 19 with an emphasis on science and maths. The Trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy,

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the schools, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and maths and their practical applications.

The main objectives of the MAT during the period ended 31 August 2016 are summarised below:

- to raise the standard of educational achievement of all pupils;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory requirements;
- to conduct the MAT's business in accordance with the highest standards of integrity, probity and

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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- openness;
- to set in train initiatives to increase the number of pupils towards the targets set;

The principal long term objectives of the MAT are laid out in the Funding Agreement in addition to the points summarised above.

**Equal opportunities policy**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The MAT aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

**Pay Policy**

The MAT has taken a decision to adopt the national terms and conditions for both teachers (School Teachers Pay and Conditions) and for non-teaching staff (Local Government Terms and Conditions, as defined by the 'Green' book).

**Achievements and Performance**

The Drapers' Academy served a pupil population of 896 (at 17th June 2016). The Academy intake was 180 in its sixth Year 7 (aged 11) age group, continuing to be an oversubscribed school.

Drapers' Academy's GCSE results saw a 5 GCSEs at A\* - C grade of 61%, and a 5 GCSE A\* - C grade including English and maths at 57%.

Drapers' Brookside Junior School served a population of 233 (at 17th June 2016). Key Stage 2 SATS Results showed a continuation of the school meeting government floor targets for the year.

Drapers' Maylands Primary School served a population of 35 (at 17th June 2016). The Early Years Foundation Stage Results showed 89% of pupils obtaining the 'Good Level of Development' milestone, significantly above both local and national averages for this assessment.

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the MAT 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**

**Financial report for the year**

Most of the MAT's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The MAT also receives grants for fixed assets from the DfE. In accordance with the Charities FRS102 SORP, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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During the year ended 31 August 2016, total expenditure of £9,241,000 was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds) was £33,000.

At 31 August 2016 the net book value of fixed assets was £23,862,000 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the schools.

**Financial and Risk Management Objectives and Policy**

The Companies Act 2006 s417 (3b) requires disclosure of the principal risks and uncertainties facing a company. The MAT is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the MAT's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The MAT's systems of internal control ensure risk is minimal in these areas.

**Reserves Policy**

The Trust holds free reserves of £813,000, built up since its establishment. Reserves are held for each school within the trust with the principal aim of ensuring financial stability for the schools. The trustees believe that the reserves policy allows for sufficient scope to be able to cope with any sudden in-year changes, which predominantly relate to pupil numbers in comparison to capacity.

The medium term financial planning makes use of these reserves, with deficit budgets expected as the schools grow to reach their capacity. The reserves held also allow for any costs required in re-structuring the schools staffing costs to ensure a long term balanced budget, in keeping with the expectations of the Academies Financial Handbook.

**Investment Policy**

Where the MAT holds excess cash balances, these are invested with the MAT's bankers on fixed- term time deposits of periods of less than one year.

**Future Developments**

Drapers' Academy aims to build upon its Good Ofsted judgement and its Outstanding Leadership and Management by targeting support towards the levels of literacy of its pupils to help them improve, and to give them the tools to achieve in all their studies. The Academy looks to maintain its high performance when looking at levels of progress, particularly in English and maths from entry in Year 7 to GCSE performance.

Drapers' Academy also aims to increase its intake in all year groups, including into its Sixth Form to reach its capacity target over the next five years.

Drapers' Brookside Junior School aims to continue to improve the literacy and numeracy of its pupils, (as measured by the SATS results) and to increase its pupil numbers to its capacity of 240 over the next few years.

Drapers' Multi-Academy Trust opened its new Primary Free School, Drapers' Maylands Primary School on 1st September 2015, with plans to move to a new school building for 1st September 2017. In addition to growing this school from its first reception year, the Trust aims to increase the number of schools in its MAT incrementally over the next few years. This process has developed, with two new schools, Drapers' Brookside Infant School and Drapers' Pyrgo Priory School joining the MAT on 1st September 2016.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**AUDITOR**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

The report of the Trustees was approved by the Trustees on 28th November 2016 and signed on their behalf by:



**Steven Beharrell**  
**Chairman**

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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Operating Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Drapers' Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Morris, Chairman	3	3
T Orchard	3	3
Prof M Shiach	3	3
S Foakes	2	3
Prof V Davis	3	3
T Harris	3	3
M Shore-Nye	1	1
D Sumner	3	3
J Morgan	2	3

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Chief Operating 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 considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Further consolidating Support Services between schools
- Procuring consumable resources centrally to achieve improved discounts

Examples of steps taken to maximise income generation include:

- Making use of fixed term money deposits to earn income on balances held;
- Letting the premises to multiple groups within the same time frame;
- Establishing links with other organisations who could use the facilities available;
- Applying for additional grants from other charitable trusts.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify

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**GOVERNANCE STATEMENT (continued)**

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and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Drapers' Multi-Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Landau Baker Limited, the external auditors, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- revenue

On an annual basis, the auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

No material issues have been raised as a result of the reviews to the Finance and Operational Audit Committee.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Chief Operating Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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**GOVERNANCE STATEMENT (continued)**

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

Approved by order of the members of the Board of Trustees on 28 November 2016 and signed on their behalf,  
by:



**Steven Beharrell**  
**Chair of Trustees**



**Stephen Beeson**  
**Accounting Officer**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Drapers' Multi-Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.



**Stephen Beeson**  
**Accounting Officer**

Date: 28 November 2016

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees (who act as governors of Drapers' Multi-Academy Trust and some of whom are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 EFA/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 28 November 2016 and signed on its behalf by:



**Steven Beharrell**  
**Chair of Trustees**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
DRAPERS' MULTI-ACADEMY TRUST**

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

This report is made solely to the charitable 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 charitable Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

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DRAPERS' MULTI-ACADEMY TRUST**

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**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

Michael Durst (Senior Statutory Auditor)

for and on behalf of

**Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR  
28 November 2016



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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO DRAPERS' MULTI-ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 31 October 2011 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Drapers' Multi-Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Drapers' Multi-Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Drapers' Multi-Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Drapers' Multi-Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF DRAPERS' MULTI-ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Drapers' Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 1 July 2014 and 17 March 2015, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.

- adherence to tendering policies.

## CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

**Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

28 November 2016

**DRAPERS' MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds (re- stated) 2015 £000
<b>INCOME FROM:</b>						
Donations and capital grants	2	171	-	460	631	266
Charitable activities	3	-	8,121	-	8,121	7,512
Other trading activities	4	107	25	-	132	119
Investments	5	2	-	-	2	4
<b>TOTAL INCOME</b>		<b>280</b>	<b>8,146</b>	<b>460</b>	<b>8,886</b>	<b>7,901</b>
<b>EXPENDITURE ON:</b>						
Raising funds		68	-	-	68	49
Charitable activities		-	8,067	1,106	9,173	8,507
<b>TOTAL EXPENDITURE</b>	8	<b>68</b>	<b>8,067</b>	<b>1,106</b>	<b>9,241</b>	<b>8,556</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	19	212	79	(646)	(355)	(655)
		-	(324)	324	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES</b>						
		212	(245)	(322)	(355)	(655)
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(1,227)	-	(1,227)	23
<b>NET MOVEMENT IN FUNDS</b>		<b>212</b>	<b>(1,472)</b>	<b>(322)</b>	<b>(1,582)</b>	<b>(632)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		575	(1,566)	24,832	23,841	24,473
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>787</b>	<b>(3,038)</b>	<b>24,510</b>	<b>22,259</b>	<b>23,841</b>

**DRAPERS' MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07035556**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£000	2016 £000	£000	2015 £000
<b>FIXED ASSETS</b>					
Tangible assets	15		23,862		24,467
<b>CURRENT ASSETS</b>					
Debtors	16	412		392	
Cash at bank and in hand		1,868		1,342	
		<u>2,280</u>		<u>1,734</u>	
<b>CREDITORS: amounts falling due within one year</b>	17	(819)		(638)	
<b>NET CURRENT ASSETS</b>			<u>1,461</u>		<u>1,096</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>25,323</u>		<u>25,563</u>
Defined benefit pension scheme liability	23		(3,064)		(1,722)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>22,259</u></u>		<u><u>23,841</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	18	26		156	
Restricted fixed asset funds	18	24,510		24,832	
		<u>24,536</u>		<u>24,988</u>	
Restricted funds excluding pension liability					
Pension reserve		(3,064)		(1,722)	
		<u></u>		<u></u>	
Total restricted funds			21,472		23,266
Unrestricted funds	18		787		575
<b>TOTAL FUNDS</b>			<u><u>22,259</u></u>		<u><u>23,841</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 28 November 2016 and are signed on their behalf, by:



**Steven Beharrell**  
**Chair of Trustees**

The notes on pages 20 to 41 form part of these financial statements.

**DRAPERS' MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £000	2015 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	565	158
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		2	4
Purchase of tangible fixed assets		(501)	(138)
Capital grants from DfE/EFA		460	149
<b>Net cash (used in)/provided by investing activities</b>		(39)	15
<b>Change in cash and cash equivalents in the year</b>		526	173
Cash and cash equivalents brought forward		1,342	1,169
<b>Cash and cash equivalents carried forward</b>		1,868	1,342

**DRAPERS' MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Drapers' Multi-Academy Trust constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Drapers' Multi-Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Drapers' Multi-Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

**1.2 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

**DRAPERS' MULTI-ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.4 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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**DRAPERS' MULTI-ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

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

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 Incorporating Income and Expenditure Account.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Improvements to leasehold property	-	2%
Long term leasehold property	-	125 years
Motor vehicles	-	7 years
Furniture and equipment	-	4 - 15%
Computer equipment	-	20%
Assets under construction	-	Not depreciated until brought into use

**1.7 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the Bank.



**DRAPERS' MULTI-ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 Debtors**

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

**1.9 Cash at Bank and in hand**

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

**1.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.11 Financial instruments**

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.12 Taxation**

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

**DRAPERS' MULTI-ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.13 Pensions**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Trust.

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

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses

**1.14 Agency arrangements**

The academy trust acts as agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances are disclosed in Note 27.

**DRAPERS' MULTI-ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.15 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

During the period no estimates or judgements have been applied to the financial statements.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds (re- stated) 2015 £000
Private sponsorship	171	-	-	171	93
Assets gifted on inclusion of Brookside Junior School	-	-	-	-	24
Capital grants	-	-	460	460	149
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	171	-	460	631	266
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £93,000 was to unrestricted funds and £173,000 was to restricted funds

**DRAPERS' MULTI-ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds (re- stated) 2015 £000
DfE/EFA and other government grants	-	7,979	7,979	7,387
Other educational activities	-	142	142	125
	-	8,121	8,121	7,512

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £7,512,000 was to restricted funds.

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds (re- stated) 2015 £000
DfE/EFA grants				
GAG	-	7,160	7,160	6,542
Other EFA grants	-	699	699	727
Other government grants	-	120	120	118
	-	7,979	7,979	7,387

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £7,387,000 was to restricted funds.

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds (re- stated) 2015 £000
Facilities and services income	107	25	132	119

In 2015, of the total income from other trading activities, £84,000 was to unrestricted funds and £35,000 was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds (re- stated) 2015 £000
Bank interest	2	-	2	4
	<u>2</u>	<u>-</u>	<u>2</u>	<u>4</u>

In 2015, of the total investment income, £4,000 was to unrestricted funds and £ NIL was to restricted funds.

**6. DIRECT COSTS**

	Educational operations £000	Total 2016 £000	Total 2015 £000
Pension finance charge	66	66	61
Books, apparatus and stationery	382	382	369
Examination fees	67	67	57
Staff development	51	51	78
Supply teacher costs	464	464	327
Wages and salaries	3,881	3,881	3,598
National insurance	329	329	298
Pension cost	588	588	478
	<u>5,828</u>	<u>5,828</u>	<u>5,266</u>

In 2015, the Trust incurred the following Direct costs:  
£5,266,000 in respect of Direct costs - Educational activities

**DRAPERS' MULTI-ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**7. SUPPORT COSTS**

	Educational operations £000	Total 2016 £000	Total 2015 £000
Pupil recruitment and support	159	159	165
Maintenance of premises and equipment	136	136	161
Cleaning	139	139	142
Rent and rates	64	64	60
Heat and light	114	114	130
Insurance	31	31	44
Security	78	78	72
Transport	14	14	16
Catering	162	162	138
Technology costs	245	245	216
Other support costs	251	251	205
Governance costs	82	82	113
Wages and salaries	570	570	511
National insurance	44	44	33
Pension cost	150	150	172
Depreciation	1,106	1,106	1,063
	<u>3,345</u>	<u>3,345</u>	<u>3,241</u>

**8. EXPENDITURE**

	Staff costs 2016 £000	Premises 2016 £000	Other costs 2016 £000	Total 2016 £000	Total 2015 £000
Expenditure on raising voluntary income	63	-	5	68	49
Activities:					
Direct costs	5,261	-	567	5,828	5,266
Support costs	764	995	1,586	3,345	3,241
	<u>6,088</u>	<u>995</u>	<u>2,158</u>	<u>9,241</u>	<u>8,556</u>

In 2016, of the total expenditure, £68,000 (2015 - £55,000) was to unrestricted funds and £9,173,000 (2015 - £8,501,000) was to restricted funds.

**DRAPERS' MULTI-ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>1,106</b>	<b>1,063</b>
	<u>          </u>	<u>          </u>

**10. AUDITORS' REMUNERATION**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Trust's auditor in respect of:		
The auditing of accounts of the Trust	<b>11</b>	<b>25</b>
All other non-audit services not included above	<b>2</b>	<b>4</b>
	<u>          </u>	<u>          </u>

**DRAPERS' MULTI-ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**11. STAFF COSTS**

Staff costs were as follows:

	2016 £000	2015 £000
Wages and salaries	4,513	4,158
Social security costs	373	330
Operating costs of defined benefit pension schemes	738	650
	<u>5,624</u>	<u>5,138</u>
Supply teacher costs	464	328
	<u>6,088</u>	<u>5,466</u>

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

	2016 No.	2015 No.
Teachers	82	63
Administration and support	62	57
Management	8	5
	<u>152</u>	<u>125</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	2
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	0

Four of the above staff were members of the Teachers' Pension Scheme and contributions amounting to £42,670 (2015: £29,050) were paid by the academy during the year.

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £465,581 (2015: £454,428).



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**12. CENTRAL SERVICES**

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

- Professional and marketing services

The Trust charges for these services on the following basis:

Services have been provided at cost.

The actual amounts charged during the year were as follows:

	2016 £000	2015 £000
Drapers' Brookside Junior School	43	30
Drapers' Maylands Primary School	22	6
Drapers' Academy	169	148
	<u>234</u>	<u>184</u>
Total		

**13. TRUSTEES' REMUNERATION AND EXPENSES**

During the current and previous year no retirement benefits were accruing to any Trustees in respect of defined benefit pension schemes.

The Trustees have not been paid remuneration or received other benefits from an employment with the academy trust. The current Principal and other members of the senior leadership team are not Trustees.

During the year, no Trustees received any reimbursement of expenses (2015 - £893).

**14. TRUSTEES' AND OFFICERS' INSURANCE**

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

**15. PENSION FINANCE CHARGE**

	2016 £000	2015 £000
Expected return on pension scheme assets	84	70
Interest on pension scheme liabilities	(150)	(131)
	<u>(66)</u>	<u>(61)</u>

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**16. TANGIBLE FIXED ASSETS**

	Improvements to leasehold property £000	Short-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000
<b>Cost</b>					
At 1 September 2015	21,025	1,600	3,151	24	8
Additions	-	-	21	-	14
At 31 August 2016	21,025	1,600	3,172	24	22
<b>Depreciation</b>					
At 1 September 2015	1,261	13	803	16	1
Charge for the year	420	13	320	3	3
At 31 August 2016	1,681	26	1,123	19	4
<b>Net book value</b>					
At 31 August 2016	19,344	1,574	2,049	5	18
At 31 August 2015	19,764	1,587	2,348	8	7

  

	Computer equipment £000	Assets under construction £000	Total £000
<b>Cost</b>			
At 1 September 2015	1,867	-	27,675
Additions	111	355	501
At 31 August 2016	1,978	355	28,176
<b>Depreciation</b>			
At 1 September 2015	1,114	-	3,208
Charge for the year	347	-	1,106
At 31 August 2016	1,461	-	4,314
<b>Net book value</b>			
At 31 August 2016	517	355	23,862
At 31 August 2015	753	-	24,467

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**16. TANGIBLE FIXED ASSETS (continued)**

Improvements in the form of the construction of Drapers' Academy and impending construction of Drapers' Maylands Primary School have been capitalised at cost and are being written off over 50 years. The sites on which the construction works have been and are being carried out are, in terms of the funding agreements with the EFA, to be leased to the academy trust on 125 year leases. These leases have not yet been concluded with the London Borough of Havering. On completion of the lease agreements, on which the rental charge is to be a peppercorn, the academy trust will cause the leases to be professionally valued, and they will then be brought into the academy trust's accounts.

**17. DEBTORS**

	2016 £000	2015 £000
Trade debtors	22	20
Other debtors	200	141
Prepayments and accrued income	76	107
Tax recoverable	114	124
	412	392
	412	392

**18. CREDITORS: Amounts falling due within one year**

	2016 £000	2015 £000
Trade creditors	151	77
Other taxation and social security	113	99
Other creditors	249	223
Accruals and deferred income	306	239
	819	638
	819	638
<b>Deferred income</b>	<b>2016 £000</b>	<b>2015 £000</b>
Deferred income at beginning of period	18	120
Resources deferred during the year	59	18
Amounts released from previous years	(18)	(120)
Deferred income at end of period	59	18
	59	18

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**19. STATEMENT OF FUNDS**

	Brought Forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>Unrestricted funds</b>						
General Funds - all funds	563	208	(15)	-	-	756
Sponsor funded accounts	12	72	(53)	-	-	31
	<u>575</u>	<u>280</u>	<u>(68)</u>	<u>-</u>	<u>-</u>	<u>787</u>
<b>Restricted funds</b>						
Restricted Funds - all funds	68	8,046	(7,952)	(324)	-	(162)
Pupil premium	88	79	-	-	-	167
SEN	-	21	-	-	-	21
Pension reserve	(1,722)	-	(115)	-	(1,227)	(3,064)
	<u>(1,566)</u>	<u>8,146</u>	<u>(8,067)</u>	<u>(324)</u>	<u>(1,227)</u>	<u>(3,038)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	24,832	460	(1,106)	324	-	24,510
Total restricted funds	<u>23,266</u>	<u>8,606</u>	<u>(9,173)</u>	<u>-</u>	<u>(1,227)</u>	<u>21,472</u>
Total of funds	<u><u>23,841</u></u>	<u><u>8,886</u></u>	<u><u>(9,241)</u></u>	<u><u>-</u></u>	<u><u>(1,227)</u></u>	<u><u>22,259</u></u>

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

All funds originated from assets gifted by the predecessor school. In addition:

Restricted fixed asset funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted general funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The restricted funds can only be used in terms of limitations imposed the the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

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

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**19. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2016 were allocated as follows:

	<b>Total 2016 £000</b>	<i>Total 2015 £000</i>
Drapers' Academy	525	542
Drapers' Brookside Junior School	180	129
Drapers' Maylands Primary School	108	60
Total before fixed asset fund and pension reserve	<u>813</u>	<u>731</u>
Restricted fixed asset fund	24,510	24,832
Pension reserve	(3,064)	(1,722)
Total	<u><u>22,259</u></u>	<u><u>23,841</u></u>

**ANALYSIS OF ACADEMIES BY COST**

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

	<b>Teaching and educational support staff costs £000</b>	<b>Other support staff costs £000</b>	<b>Educational supplies £000</b>	<b>Other costs excluding depreciat- ion £000</b>	<b>Total 2016 £000</b>	<i>Total 2015 £000</i>
Drapers' Academy	4,126	681	482	1,151	6,440	6,081
Drapers' Brookside Junior School	804	105	111	256	1,276	1,283
Drapers' Maylands Primary School	230	33	68	88	419	101
	<u>5,160</u>	<u>819</u>	<u>661</u>	<u>1,495</u>	<u>8,135</u>	<u>7,465</u>

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**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds (re- stated) 2015 £000
Tangible fixed assets	-	-	-	-	24,467
Current assets	787	845	23,862	23,862	-
Creditors due within one year	-	(819)	648	2,280	1,734
Provisions for liabilities and charges	-	(3,064)	-	(819)	(638)
	-	(3,064)	-	(3,064)	(1,722)
	<u>787</u>	<u>(3,038)</u>	<u>24,510</u>	<u>22,259</u>	<u>23,841</u>

**21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £000	2015 £000
Net expenditure for the year (as per Statement of financial activities)	(355)	(655)
<b>Adjustment for:</b>		
Depreciation charges	1,106	1,063
Dividends, interest and rents from investments	(2)	(4)
Decrease in stocks	-	2
Increase in debtors	(20)	(152)
Increase/(decrease) in creditors	181	(83)
Capital grants from DfE and other capital income	(460)	(149)
Defined benefit pension scheme cost less contributions payable	49	75
Defined benefit pension scheme finance cost	66	61
<b>Net cash provided by operating activities</b>	<u>565</u>	<u>158</u>

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £000	2015 £000
Cash in hand	1,868	1,342
<b>Total</b>	<u>1,868</u>	<u>1,342</u>

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**23. CAPITAL COMMITMENTS**

The Academy Trust has contracted for a new school building for Drapers' Maylands Primary School adjacent to the site on which Drapers' Academy is located. The amount contracted at 31 August 2016, but not provided in these financial statements was £6,200,000. This is to be fully funded by EFA Free School Capital Funding.

**24. PENSION COMMITMENTS**

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Havering Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £88,309 were payable to the schemes at 31 August 2016 (2015 - £76,261) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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**24. PENSION COMMITMENTS (continued)**

- 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 will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £445,964 (2015 - £335,434).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £324,000 (2015 - £321,000), of which employer's contributions totalled £253,000. (2015 - £253,000) and employees' contributions totalled £71,000 (2015 - £68,000). The agreed contribution rates for future years are 20.1% for employers and from 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.10 %	3.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.1	22.1
Females	24.1	24.1
Retiring in 20 years		
Males	24.2	24.2
Females	26.7	26.7



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**24. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	1,917	1,329
Bonds	568	540
Property	135	104
Cash	80	103
Total market value of assets	<u>2,700</u>	<u>2,076</u>

The actual return on scheme assets was £233,000 (2015 - £NIL).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(311)	(302)
Net interest cost	(66)	(61)
Total	<u>(377)</u>	<u>(363)</u>
Actual return on scheme assets	<u>233</u>	<u>(22)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2016 £000	2015 £000
Opening defined benefit obligation	3,798	3,356
Current service cost	311	302
Interest cost	150	131
Contributions by employees	71	68
Actuarial losses/(gains)	1,460	(45)
Past service costs	-	31
Benefits paid	(17)	(40)
Other experience	(9)	(5)
Defined benefit pension scheme return on assets	-	-
Closing defined benefit obligation	<u>5,764</u>	<u>3,798</u>

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**24. PENSION COMMITMENTS (continued)**

Movements in the fair value of the Trust's share of scheme assets:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Opening fair value of scheme assets	2,076	1,747
Interest income	84	70
Actuarial gains and (losses)	233	(22)
Contributions by employer	253	253
Contributions by employees	71	68
Benefits paid	(17)	(40)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>2,700</u>	<u>2,076</u>

**25. MEMBERS' LIABILITY**

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

**26. RELATED PARTY TRANSACTIONS**

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

There were no related party transactions in the period of account.

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**27. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Trust's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure. The table below shows the effect of the transition to FRS102 on the SOFA for the prior year:

Year ended 31 August 2015			
	As previously stated £000	Effect of transition £000	FRS102 (as restated) £000
Total resources expended	(8,528)	(28)	(8,556)
Actuarial gains/(losses) on defined benefit pension schemes	(5)	28	23

In the prior year there were actuarial losses of £5,000 recognised on the scheme. Under FRS102 these losses have been reclassified as an increase in pension costs as shown above.

**28. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £14,573 (2015 - £12,658) and disbursed £14,075 (2015 - £3,473) from the fund. An amount of £8,945 (2015 - £9,185) is included in other creditors relating to undistributed funds that are repayable to the EFA.