

MARISH ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

U Ahmad
G Sandhu
V Bunby
R Grayson (Appointed 20/10/2015)
C Small (Appointed 02/06/2016)
T Neale (Resigned 11/10/2015)

Trustees / Governors

U Ahmad		Chair of Trustees
G Sandhu	(Resigned 14/11/16)	
V Bunby		
R Grayson	(Appointed 20/10/2015)	
C Small	(Appointed 02/06/2016)	
V Turner	(Appointed 20/10/2015)	
G Denham		Executive Headteacher and Accounting Officer
H Abell		Deputy Headteacher
T Neale	(Resigned 11/10/2015)	

Local Governors:

C Conlon
C Heywood
S Kitchener
P Blankson
M Muhammed

Senior Management Team

G Denham	Executive Headteacher
N Giles (until 31/08/2016)	Associate Headteacher
A Court	Deputy Headteacher
H Abell	Deputy Headteacher
L Kelly	Deputy Headteacher
D Sinclair	Deputy Headteacher
W Prince	Deputy Headteacher
A Wroblewski	Executive Finance Lead
S Bond (until 31/08/2016)	Executive Advisor
S Wroblewski	Executive HR Lead
W Bradshaw	Executive Lead Facilities
C Conlon	Child Protection Lead
S Adams	Office Manager

Company Name

Marish Academy Trust

Principal and registered office

Marish Academy Trust, Marish Primary School, Swabey Road, Langley, Berkshire, SL3 8NZ

Company registered number

08073873 (England & Wales)

Independent Auditors

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Lloyds Bank Plc, High Street, Slough Branch, P O Box 1000, BX1 1LT

Solicitors

Winckworth Sherwood LLP, Minerva House, 5 Montague Close, London, SE1 9BB

**MARISH ACADEMY TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year from 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.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Slough. It had a roll of 1249 in the school census on June 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The trustees of Marish Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Marish Academy. Membership of the Academy Trust comprises the following:

Marish Primay School
Willow Primary School

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

Members Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £1,338 and it covers to the limit of £2,000,000 for each Trust school.

Method of Recruitment and Appointment or Election of Trustees

The members may appoint new trustees for charitable activities of the Academy who also serve as directors of the charitable company.

The Academy's trustees are subject to retirement after a four-year term. Trustees are eligible for re-election at the meeting at which they retire. The four years' term of reference does not apply to the executive headteacher. New members are recruited in accordance with the Articles of Association and are appointed by existing members.

Policies and Procedures Adopted for the Induction and Training of Trustees

New trustees are provided with an induction pack and training is arranged. 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.

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

Organisational Structure

The Organisational structure consists of three levels: Members, The Academy Strategic Board (trustees) and the Academy Leadership Team.

The Strategic Board of Trustees is responsible for each school within the trust and for the statutory duties which may not be delegated to sub committees.

The trustees with the executive head are responsible for setting general policy, adopting an annual plan and budget, monitoring the trust by use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Academy Leadership Team consists of the executive head of the Trust, deputy headteachers and the executive leads. These managers control the academy at an executive level implementing the policies approved by the academy trust board

Arrangements for setting pay and remuneration of key management personnel

The Marish Academy Trust has a well-established pay policy for all staff including Key Management Personnel.

The teachers' pay policy is based on the Department of Education's model policy which is non-statutory. The Strategic board of the Governing body will determine the salary of a serving Executive, Associate, Deputy or Assistant headteacher and Senior administration Executives in accordance with the policy. Executive, Associate, Deputy and Assistant headteachers and Senior administration Executives must demonstrate sustained high quality of performance in respect of school leadership and management and pupil progress and will be based on Schools HR Co-operative Model Policy, subject to a review of performance against their performance objectives before any performance points will be awarded. The clarification of the application of the criteria for Leadership Group progression will be taken fully into account.

Related parties and other connected charities and organisations.

Like many successful schools, Marish collaborates with many other organisations on an informal or formal partnership basis. These are mutually beneficial relationships, wherein services, facilities, skills or expertise and sometimes staff usually in return for reciprocal benefit rather than any financial reward.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

We aim for both schools to be outstanding by providing a broad, balanced enriched curriculum which delivers learning opportunities allowing each child to exceed expectations and fulfil their potential. We aim to provide a quality learning environment within a community context that works in partnership with other local stakeholders to ensure the wellbeing and every matters outcomes for all children and families, not just those within our own schools. We aim to become more than just schools, in fact a learning community without walls, which empowers all its members to become leaders and make a positive difference.

Objectives, Strategies and Activities

The trustees monitor the academies strategic aims through the Aspire plan. The priorities are monitored closely by the board of trustees by way of the executive head and Senior Leadership Teams reports.

Aims from 3 year Academy Aspire Plan:

TARGET 1. Maximise Outcomes for all Pupils

Marish Academy Trust is committed to all pupils reaching their potential and in many cases exceeding expectations. This extends beyond attainment and general wellbeing to the development and achievement of the whole child as a unique individual and potential role model and leader. The Schools in the Academy Trust are supported to improve outcomes for all pupils and pupil groups over time and within a truly inclusive learning community.

TARGET 2. Ensure Excellent Provision and Practice

Marish Academy Trust is committed to providing the best learning opportunities possible both within the curriculum and beyond its limits. An ethos of aspiration ensures that we constantly reflect on our provision and practice and seek feedback to help us tailor what we offer to the needs to our children and communities. Some examples of current best practice include our work leading Slough's Children's University and with the Create Development Curriculum Project.

TARGET 3. Develop Future Leaders for 21st century Schools and Communities

Marish Academy Trust is committed to growing future leaders both for our own schools, but also more widely across the education system and into society generally. This includes empowering all staff, governors and children as leaders in some capacity and is demonstrated by our ongoing commitment to leadership development programmes, such as 'Inspire to Lead', 'Empower to Deliver' and the 'Junior Leaders' Programme.

TARGET 4. Build Best Quality Facilities

Marish Academy Trust has embarked upon on several building development projects to improve the facilities for the pupils and families at both our schools. These include a planned Early Years and Foundation Stage Extension at Marish Primary School and work to bring the field into use at Willow Primary School. Further ideas to reorganise the offices in both schools and to create an Academy Central Office are currently being considered by the Leadership Team and Governors. During 2014 we successfully bid for funds to rewire Marish and this begins in October 2014.

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

Public Benefit

The trustees of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

We aim to provide a quality learning environment within a community context that works in partnership with other local stakeholders to ensure the well-being and every matters outcomes for all children and families, not just those within our own schools. We aim to become more than just schools, in fact a learning community without walls, which empowers all its members to become leaders and make a positive difference.

STRATEGIC REPORT

Achievements and Performance

Marish 2016 Early Years, SATs and Phonic results for Key Stage 1 and Key Stage 2

Early Years Foundation Stage Profile Results

Reception – percentage of pupils who had a good level of development in the core areas	75%
National Average 2015	66%

Phonics screening results

Year 1 – percentage of pupils who passed	89%
National Average 2015	79%

Key Stage 1/Year 2 SATs Actual results for 2016

Cumulative %	Reading	Writing	Maths
Working towards expected	96%	96%	95%
Working at expected/2015 L2B+ Marish	80% / 84% 2015 L2B +	73%	85%/ 87% 2015 L2B +
Working at Greater Depth	25%	18%	27%

NB. The new assessment framework for 2016 makes comparison to previous year's results virtually impossible. The DFE has suggested that working at the expected standard is comparable to a Level 2B in the previous assessment system and so we have included the 2015 Level 2B figures for Marish/national average.

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

Achievements and Performance (continued)

Key Stage 2/Year 6 Provisional SATs Results for 2016

	Reading	Writing	SPAG	Mathematics	RWM combined
Working towards expected	33%	9%	25%	15%	64% (53%)
Expected <i>(National Average 2016 in brackets)</i>	67% (66%)	91% (74%)	75% (72%)	85% (70%)	
Average scaled score for those at expected level <i>(National Average 2016)</i>	103.7 (103)	N/A	105 (104)	105.1 (103)	
Working at greater depth	Not known as yet	20%	Not known as yet	Not known as yet	Not known as yet

NB. A scaled score of 100 or more is required to meet the expected standard in the Key stage 2 tests. These are **provisional results only and still subject to change**, for example: the removal of some children's results who are new to English.

Willow 2016 Early Years, SATs and Phonic results for Key Stage 1 and Key Stage 2

Early Years Foundation Stage Profile Results

Reception – percentage of pupils who had a good level of development in the core areas	76%
National Average 2015	66%

Phonics screening results

Year 1 – percentage of pupils who passed	88%
National Average 2015	79%

Key Stage 1/Year 2 SATs Actual results for 2016

Cumulative %	Reading	Writing	Maths
Working towards expected	94%	88%	95%
Working at expected/2015 L2B+ Willow	73% / 83% 2015 L2B +	69%	78% / 83% 2015 L2B +
Working at Greater Depth	22%	15%	26%

NB. The new assessment framework for 2016 makes comparison to previous year's results virtually impossible. The DFE has suggested that working at the expected standard is comparable to a Level 2B in the previous assessment system and so we have included the 2015 Level 2B figures for Willow/national average.

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

Achievements and Performance (continued)

Key Stage 2/Year 6 Provisional SATs Results for 2016

	Reading	Writing	SPAG	Mathematics	RWM combined
Working towards expected	13%	7%	17%	10%	73% (53%)
Expected <i>(National Average 2016 in brackets)</i>	87% (66%)	93% (74%)	83% (72%)	90% (70%)	
Average scaled score for those at expected level <i>(National Average 2016)</i>	105.4 (103)	N/A	104.7 (104)	104.8 (103)	
Working at greater depth	Not known as yet	33%	Not known as yet	Not known as yet	Not known as yet

NB. A scaled score of 100 or more is required to meet the expected standard in the Key stage 2 tests. These are provisional results only and still subject to change, for example: the removal of some children's results who are new to English

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

Key Financial Performance Indicators

The Academy's key financial performance indicators for the year were:

- % of Employee Total Costs to total income was 78.6% compared to 79% in 2015
- % of Premises' Costs to Total Cost was 6.8% compared to 7.5% in 2015
- % of Direct Educational Operation Cost to Total Cost was 77.5% compared to 76.2% in 2015
- % of Total support costs – educational operation to Total Income was 22.9% compared to 24.5% in 2015

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the 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

During the year, the Marish Academy Trust has maintained healthy financial position throughout the period 1st September 2015 to up to 31st August 2016. The Trust remained resilient in financial year 2016 under challenging economic conditions and at the same time increased pressure on providing outstanding education to all pupils. Subsequently, Marish Academy Trust has continued to invest in facilities, namely capital project to replace school boiler to improve efficiency and to meet regulatory safety compliance. It has also improved ICT structure and various smaller capital projects were delivered. Nation-wide shortage of teachers will remain a challenge for the future; however, the Academy has made steps to address it and its strategy proved to be very successful. Investing in the current staff members and promoting in-house talent secured quality provision for the children.

Whilst the main source of income from the Education Funding Agency remain unchanged to the previous year, the Trust has managed not only to sustain a healthy cash-flow but to run a surplus before depreciation and pension adjustments for the year. Moving forward, the increasing proportion of Local Authority income due to the planned expansion of the Resource Base will have a positive impact on the overall income position. In effect, this will secure funds for the future periods and allow to sustain the robust financial position.

The total income for the year excluding capital grants was £6,295,480, whilst the total expenditure excluding depreciation and pension was £6,093,710 allowing the Academy to achieve a surplus of £201,770 for the year. The capital funding of £171,213 was secured for the year which is being used for the school improvement programme.

The deficit in the pension reserve has increased by £919,000 of actuarial losses and additional costs of £179,000 in the year. It does not have a direct impact on the operation of the trust and at present it does not contribute towards high or medium risks to the Trust finances.

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TRUSTEES' REPORT (continued)
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Reserves Policy

The academy's reserves policy:

- Assists in strategic planning by considering how new projects or activities will be funded
- Informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects
- Informs the budget and risk management process by identifying any uncertainty in future income streams.

The Trustees identify:

- When reserves are drawn on, so that they understand the reasons for this and can consider what corrective action, if any, needs to be taken
- When reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any that needs to be taken
- Where the reserves level is below target, and consider whether this is due to short-term circumstance or longer term reasons which might trigger a broader review of finances and reserves.

When considering an appropriate level of reserves, the trustees consider:

- The risk of unforeseen emergency or other unexpected need for funds
- Covering unforeseen day-to-day operational costs, for example employing temporary staff to cover a long-term sick absence
- A fall in a source of income, such as lettings
- Planned commitments, or designations, that cannot be met by future income alone, for example payroll costs and plans for a major capital project
- The need to fund potential deficits in a cash budget, for example money may need to be spent before a funding grant is received.

The financial risks identified determine the amount of reserves the academy targets to hold.

The Marish Academy Trust has decided that the reserves level will be £500,000 based on analysis of the points above and the likelihood that they may occur and the amount of funding that would be required if they did. The level of reserve will be reviewed and set on an annual basis as part of the budget setting plan.

The reserves for the Trust as of 31 August 2016 were £6,809,076. This figure consists of unrestricted £139,847 and restricted £6,669,229 funds and includes fixed asset funds and pension reserve. The actual reserves excluding pension and assets funds equates to £450,246. This level of reserves is below the ideal threshold of £500,000 as specified in the reserves policy; however, this is still considered very prudent as it secures both school's net pay payroll expenditure for an extra month, should this unlikely necessity occur.

Planning ahead and considering the current school expansion programme and increasing pupil numbers, it is likely that this level of reserves will remain the same or slightly decrease in the future. In effect, the reserves limit revision next year will have to balance between maintaining secure financial position and meeting the community's needs.

At 31 August 2016 the total funds comprised:

Unrestricted		139,847
Restricted:	Fixed asset funds	8,437,830
	Pension reserve	(2,079,000)
	Other	310,399
		<u>6,809,076</u>

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

Investment Policy

The current economic climate with the lowest interest rates in history has greatly limited any viable and safe option for investment. The trustees believe that keeping the healthy amount of reserves take precedence over maximising income. The Trust investment strategy is to save capital and reinvest it directly to the school, namely by enhancing and expanding school facilities to address steadily increasing pupil numbers.

Principal Risks and Uncertainties

The principal risks facing the Academy are:

- Reputational risk – mitigated by a well-established marketing policy and regular reviews and feedback from parents and pupils.
- Performance risk – mitigated by regular review of school Aspire (development) plan and the Executive Head teacher's targets.
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by prudent budget planning, budget monitoring and termly RO inspection visits.
- Risks associated with personnel – mitigated by rigorous safeguarding recruitment process, a robust staff performance management policy and an external professional HR support.

The Academy Trust practices through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

PLANS FOR FUTURE PERIODS

The last academic year 2015/6 was the most successful year yet for Marish Academy Trust. Not only did the children achieve very positive results in EYFS, KS1 and KS2, but both schools were graded as good by OFSTED. This would not be possible without a robust financial planning and comprehensive school improvement plan. In order to sustain and exceed this great achievement, a mid to long term financial business plan has been created to ascertain the prospective opportunities and challenges. Various scenarios have been considered based on past performance and their likelihood of reoccurring in future.

Based on these scenarios, the likeliest overall future outlook for the trust is moderately positive to positive. Nonetheless, the probable negative impact factors must also be considered, and therefore regular financial monitoring and control is vital to long term sustainability. Moreover, the Trust has a well-established reserves policy that protects the operation of the schools and contributes to its smooth running. This ensures the Trust conforms to best practice, and forms part of its overall financial control and governance framework.

Most importantly of all, this three year plan enables the Academy Leadership to predict our future financial circumstances well in advance and take proactive action, such a recruitment freeze, up to a year ahead of a projected decrease in income or increase in expenditure.

The trust will continue its journey to become an outstanding education establishment by building on the current strategies. It will invest in people by providing tailored training and develop leaders to ensure outstanding provision. It will also build upon this year's success is to invest in the best Trust facilities, together with starting on the expansion projects to address community needs.

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its trustees do not act as the Custodian Trustees of any other charity

AUDITOR

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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 2 December 2016 and signed on the board's behalf by:

.....
U Ahmad
Chair of Trustees

**MARISH ACADEMY TRUST
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that Marish 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 Mrs H G Denham, 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 Marish Academy Trust and the Secretary of State for Education. She is 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 11 times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

For the academic Year 2015-16 the Directors / Members were:

		Term of Office	Attendance 15/16 (11 meetings)
Mrs Uzema Ahmad (Chair)	D/M	1/6/16 – 31/5/20	81%
Dr Gurj Sandhu	D/M	13/11/14 – 12/11/18	36%
Mr Vic Bunby	D/M	9/2/15 – 8/2/19	36%
Mrs Gill Denham (Exec HT)	D	10/11/14	90%
Mrs Vivienne Turner	D	20/10/15 – 19/10/19	72%
Revd. Robin Grayson	D/M	20/10/15 – 19/10/19	63.3%
Mrs Chris Small	D/M	14/3/16 – 13/3/20	80%
Mr Tim Neale	D/M	12/1/15 – 11/10/15	Nil
Mrs Helen Abell	D	17/2/14 – 16/2/18	66%

The composition of the Strategic Board has remained consistent except for the appointment of an additional Trustee, Mrs Chrissy Small in spring 2016.

Particular challenges include both schools facing an Ofsted inspection during 2015/6. These inspections happened in November 2015 (Marish) and June 2016 (Willow) and both schools were graded good overall.

Governance Review- Over the academic year 2015/6 we have evaluated the effectiveness off the governing body at regular intervals, as is our usual practice. Recently we have introduced the NGA 21 questions document to guide our reviews of trustees' impact and this is now a standing item at each Strategic Board meeting.

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

GOVERNANCE (continued)

Firstly a review of the governing body's work and impact is included in the School Evaluation Form, updated each term and referenced in each termly head teacher's report. Extracts are shown below:

Extract from the SEF dated July 2016

The senior leadership team and Strategic Board of Trustees and governors respond quickly to issues raised by OFSTED, former HMI consultants and the SIP. A robust School Improvement Plan (Aspire Plan) details the steps required to move the school towards Outstanding. This plan is revised annually by staff and governors and includes: key milestones, budget considerations, success criteria and an expectation of regular evaluation of progress towards targets.

Since the Inspection in November 2015, we have addressed the following issues raised in the report:

- Pupils' progress in reading is not as rapid as it is in writing and mathematics.*
- Teaching is not yet outstanding. Some teachers are not fully confident in using new systems to gauge pupils' progress in reading.*
- The attendance of pupils is beginning to improve, but is below national averages.*

SLT and the Academy Leadership Team (ALT) and Governors carry out a monitoring and evaluation schedule each half term. This informs an Impact of Improvements document which when updated allows the school to assess the effectiveness of the actions taken so far and next steps.

Extract from Headteacher's report in autumn term 2015

Evaluation of the effectiveness of GB and its ability to challenge leadership and fulfil statutory duties such as policy development, monitoring of finances and other key functions. Former HMI have provided further useful feedback and training to the GB, with the result that we have developed and are using a GB monitoring policy explicitly linked to school improvement priorities. We review the governing body efficacy twice yearly at the May and November/December Strategic Board meetings.

Extract from Headteacher's report in spring term 2016

Another focus is the Governing Body's SMSC, Prevent, British values responsibilities and awareness, which we are working on evidencing currently. The Strategic Board has also promptly addressed some challenging HR issues over the last year and therefore the overall effectiveness of the governing Body is judged to be at least good.

Extract from Headteacher's report in summer term 2016

Over the Latest advice from Ofsted, includes continuing to evidence governors' challenge and support of school improvement priorities, and improving some aspects of how we publicise the school, such as up grading the website. British Values and Prevent and attendance and exclusions to date have become standing items on our monthly strategic board agenda's.

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

GOVERNANCE *(continued)*

Secondly this year both schools have had Ofsted inspections and the inspectors have commented on the governors in their reports as follows:

'Leaders and governors have successfully tackled the issues identified in the last inspection. They have securely established improvements in the quality of teaching and pupils' achievement.' **And...**

'The knowledgeable governing body successfully supports and challenges the school's leaders to maintain an improving picture.' **Marish Ofsted report November 2015**

'Governors are effective at holding leaders to account. They have an accurate view of the school and are determined to continue to improve the outcomes of pupils.' **And....**

'The highly professional governing body has been fully involved in monitoring the school's improvements and in holding leaders effectively to account. –Governors and senior leaders work closely together. They sometimes meet off site for a whole day so that they can carefully analyse any issues that are holding back pupils' progress. It was during one of these off-site days that the highly effective strategy to improve the attendance of pupils was formulated. –Governors ask probing questions and are knowledgeable about the quality of teaching across the school. They have a detailed understanding of the school's finances, including the school's use of additional funding for sports and pupil premium. –Governors often seek external validation of the school's effectiveness from highly experienced consultants. By this method, they ensure that the school is continuing to improve and that all leaders are suitably challenged.' **Willow Ofsted report June 2016**

Finally as mentioned above the governors review the efficacy of the governing body twice annually in their Strategic Board meetings in May and November/ December each year.

An extract from the May 2016 minutes is shown below, commenting on the frequent involvement of governors in both schools, the impact of which is reflected in Ofsted's comments above:

'All governors do visit and also attend various trainings. It was suggested that every 6 months a review of the visits is undertaken and needs identified.

Mrs Ahmad meets the Executive headteacher weekly and the Executive Finance Lead monthly. Also checks the SCR, met with Ofsted and the SIP

Mr Grayson attends assemblies at least twice a term, undertakes learning walks, has visited the Resource Base, met the SIP and attended E2D

Mr Sandhu has met with Gill and Ofsted and attended E2D

Mrs Small has attended E2D, observed the SATS, visited the Nurture Room, is one of the Nanny Readers and sat on interview panels for teachers.

Ms Turner does Friday reading, met with the SIP and Ofsted, attends trips and PEAS'

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

REVIEW OF VALUE FOR MONEY

As accounting officer the Executive Headteacher has responsibility for ensuring that the academy 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 academy trust has delivered improved value for money during the year by:

- A review of suppliers was conducted in order to achieve economies of scale and reliable sources of quality resources to meet the Trust needs. Discounts were negotiated and achieved across several main suppliers
- The Trust has secured an additional funding via the Capital Improvement Fund programme, which has enabled us to commence the total school heating system project. The outcome of this project not only will improve the obsolete heating system by saving money the but will allow it to be more reliable.
- The Trust promotes fair competition through quotation and tender, in accordance with its Finance Procedures, to ensure that goods and services are secured in the most economic, efficient and effective way.
- Budget Monitoring reports are produced at regular intervals by the finance team. All budget holders are copied with a statement of the original budget allocation, actual spend to date and remaining budget. The Strategic Board are updated on budget position at the governors meeting and any significant variances against budget are addressed.

**MARISH ACADEMY TRUST
(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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 on-going process designed to identify and prioritise the risks to the achievement of academy 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 Marish Academy Trust for the period 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 academy 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 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 academy 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 finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However, the trustees have appointed the Responsible Officer, the external auditor, to perform additional checks

**MARISH ACADEMY TRUST
(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

THE RISK AND CONTROL FRAMEWORK (continued)

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

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

On a termly basis, the Responsible Officer reports to the board of trustees, 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 the Executive Headteacher 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 internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the 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 by the Strategic Board 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 2 December 2016 and signed on its behalf by:

.....
U Ahmad
Chair of Trustees

.....
G Denham
Accounting Officer

**MARISH ACADEMY TRUST
(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016**

As accounting officer of Marish 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.

.....
G Denham
Accounting Officer

2 December 2016

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)

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

The Trustees (who act as Governors of Marish 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 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;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 2 December 2016 and signed on its behalf by:

.....
U Ahmad
Chair of Trustees

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MARISH
ACADEMY TRUST**

We have audited the financial statements of Marish 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 company'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 company'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 company 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 Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy 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 company'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.

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MARISH
ACADEMY TRUST**

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
- 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.

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 19 December 2016

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MARISH
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 10 July 2015 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 Marish 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 Marish 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 Marish 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 Marish Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF MARISH ACADEMY TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Marish Academy Trust's funding agreement with the Secretary of State for Education dated 1 June 2012, 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 Academy Trust's income and expenditure.

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MARISH
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- making appropriate enquiries of the Accounting Officer.

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

MHA MacIntyre Hudson

Chartered Accountants

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

19 December 2016

MARISH 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 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	2,143	-	195,196	197,339	87,080
Charitable activities	5	51,959	6,205,846	-	6,257,805	5,887,266
Other trading activities	3	34,231	375	-	34,606	44,932
Investments	4	926	-	-	926	992
TOTAL INCOME		89,259	6,206,221	195,196	6,490,676	6,020,270
EXPENDITURE ON:						
Charitable activities		25,330	6,247,380	351,635	6,624,345	6,161,550
TOTAL EXPENDITURE	6	25,330	6,247,380	351,635	6,624,345	6,161,550
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	63,929	(41,159)	(156,439)	(133,669)	(141,280)
		-	(224,124)	224,124	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		63,929	(265,283)	67,685	(133,669)	(141,280)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(919,000)	-	(919,000)	24,000
NET MOVEMENT IN FUNDS		63,929	(1,184,283)	67,685	(1,052,669)	(117,280)
RECONCILIATION OF FUNDS:						
Total funds brought forward		75,918	(584,318)	8,370,145	7,861,745	7,979,025
TOTAL FUNDS CARRIED FORWARD		139,847	(1,768,601)	8,437,830	6,809,076	7,861,745

The notes on pages 27 to 48 form part of these financial statements.

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08073873

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	15		8,288,280		8,322,577
CURRENT ASSETS					
Debtors	16	247,352		147,030	
Cash at bank and in hand		748,951		606,563	
		<u>996,303</u>		<u>753,593</u>	
CREDITORS: amounts falling due within one year	17	<u>(389,507)</u>		<u>(233,425)</u>	
NET CURRENT ASSETS			606,796		520,168
TOTAL ASSETS LESS CURRENT LIABILITIES			8,895,076		8,842,745
CREDITORS: amounts falling due after more than one year	18		<u>(7,000)</u>		<u>-</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			8,888,076		8,842,745
Defined benefit pension scheme liability	23		<u>(2,079,000)</u>		<u>(981,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			6,809,076		7,861,745
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	310,399		396,682	
Restricted fixed asset funds	19	8,437,830		8,370,145	
Restricted income funds excluding pension liability		<u>8,748,229</u>		<u>8,766,827</u>	
Pension reserve		<u>(2,079,000)</u>		<u>(981,000)</u>	
Total restricted income funds			6,669,229		7,785,827
Unrestricted income funds	19		<u>139,847</u>		<u>75,918</u>
TOTAL FUNDS			6,809,076		7,861,745

The financial statements were approved by the Trustees, and authorised for issue, on 2 December 2016 and are signed on their behalf, by:

.....
U Ahmad
Chair of Trustees

.....
G Denham
Accounting Officer

The notes on pages 27 to 48 form part of these financial statements.

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>267,252</u>	<u>419,291</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		926	992
Purchase of tangible fixed assets		(317,338)	(819,563)
Capital grants from DfE/EFA		191,548	20,065
Capital funding received from sponsors and others		-	59,766
Net cash used in investing activities		<u>(124,864)</u>	<u>(738,740)</u>
Change in cash and cash equivalents in the year		142,388	(319,449)
Cash and cash equivalents brought forward		<u>606,563</u>	<u>926,012</u>
Cash and cash equivalents carried forward	22	<u><u>748,951</u></u>	<u><u>606,563</u></u>

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)

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

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.

Marish 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 Marish 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 Marish 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.

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 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 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 and Education Funding Agency.

Investment income, gains and losses are allocated to the appropriate fund.

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy 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.

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within '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 academy trust's accounting policies.

Donations are recognised on a receivable basis where there are no performance related conditions and there is probability 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.

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All tangible fixed assets costing more than £1,000 are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities 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.

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.

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:

Long leasehold property	-	2% per annum straight line
Motor vehicles	-	20% per annum straight line
Fixtures and fittings	-	20% per annum straight line
Computer equipment	-	33% per annum straight line

Land is not depreciated. Assets under construction are not depreciated until they are brought into use.

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 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 Academy 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.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities Incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.8 Interest receivable

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

1.9 Taxation

The 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 Academy 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.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.11 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.

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Liabilities and provisions

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

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.

1.13 Financial instruments

The Academy 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.

1.14 Pensions

Retirement benefits to employees of the Academy 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 Academy 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 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 23, 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

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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 Academy 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 23, 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Donations	2,143	-	3,648	5,791	7,422
Capital Grants	-	-	191,548	191,548	79,658
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	2,143	-	195,196	197,339	<i>87,080</i>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £7,422 was to unrestricted funds, £ NIL was to restricted funds and £79,658 was to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
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3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Hire of facilities	1,802	-	1,802	2,217
Courses income	12,200	-	12,200	12,080
Uniform sales	-	-	-	254
Consultancy	20,229	-	20,229	25,045
Gifted and talented	-	375	375	5,336
	<u>34,231</u>	<u>375</u>	<u>34,606</u>	<u>44,932</u>

In 2015, of the total income from other trading activities, £39,596 was to unrestricted funds, £5,336 was to restricted funds and £ NIL was to restricted fixed asset funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Bank interest receivable	926	-	926	992
	<u>926</u>	<u>-</u>	<u>926</u>	<u>992</u>

In 2015, of the total investment income, £ 992 was to unrestricted funds, £ NIL was to restricted funds and £ NIL was to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	4,528,726	4,528,726	4,433,116
Pupil premium	-	404,125	404,125	405,934
Other DfE Grants	-	20,648	20,648	20,065
Universal infant free school meals	-	95,048	95,048	100,511
	-	5,048,547	5,048,547	4,959,626
Other government grants				
Local authority revenue	-	1,024,237	1,024,237	843,301
	-	1,024,237	1,024,237	843,301
Other funding				
Trip income	-	38,715	38,715	10,540
Other income	51,959	94,347	146,306	73,799
	51,959	133,062	185,021	84,339
	51,959	6,205,846	6,257,805	5,887,266

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds, £5,887,266 was to restricted funds and £ NIL was to restricted fixed asset funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Academy's educational operations					
Direct costs	4,203,962	142,227	788,927	5,135,116	4,688,041
Support costs	899,472	308,894	280,863	1,489,229	1,473,509
	5,103,434	451,121	1,069,790	6,624,345	6,161,550

In 2016, of the total expenditure, £17,197 (2015 - £41,416) was to unrestricted funds, £6,255,513 (2015 - £5,883,977) was to restricted funds and £351,635 (2015 - £236,157) was to restricted fixed asset funds.

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

7. CHARITABLE ACTIVITIES

	Total funds 2016 £	<i>Total funds 2015 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	4,203,962	3,934,431
Depreciation	351,635	236,157
Travel and subsistence	2,774	1,538
Staff training	75,834	77,987
Educational supplies	141,489	159,193
School trip expenditure	49,434	19,877
Vehicle expenses	8,295	22,721
ICT learning resources	150,539	81,541
Educational consultancy	140,466	130,840
Supply teacher insurance	10,688	23,756
	5,135,116	<i>4,688,041</i>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	899,472	837,229
Pension finance costs	35,000	36,000
Staff related expenditure	2,336	6,245
Premises and equipment maintenance	100,076	122,777
Cleaning	8,061	9,464
Water and sewerage	15,350	13,239
Energy	83,703	76,561
Rates	14,049	13,819
Other occupation costs	13,725	16,975
Catering	103,351	133,132
Legal and professional	53,916	55,342
Insurance	55,699	38,279
Administrative supplies	87,916	93,975
Governance	16,575	20,472
	1,489,229	<i>1,473,509</i>
	6,624,345	<i>6,161,550</i>

8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	Reason
	£	Amount	£
Gifts made by the trust	373	-	

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

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	<i>2015</i>
	£	£
Depreciation of tangible fixed assets: - owned by the charity	351,635	<i>236,157</i>
	-	
Auditors' remuneration - audit	7,750	<i>7,750</i>
Auditors' remuneration - other services	8,825	<i>12,722</i>
Operating lease rentals	58,137	<i>34,641</i>
	=====	=====

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

10. STAFF COSTS

Staff costs were as follows:

	2016	<i>2015</i>
	£	£
Wages and salaries	3,888,284	<i>3,754,298</i>
Social security costs	266,633	<i>252,968</i>
Operating costs of defined benefit pension schemes	598,817	<i>506,301</i>
	4,753,734	<i>4,513,567</i>
Supply teacher costs	349,700	<i>217,432</i>
Staff restructuring costs	-	<i>40,661</i>
	5,103,434	<i>4,771,660</i>

Staff restructuring costs comprise:

	2016	<i>2015</i>
	£	£
Severance payments	-	<i>40,661</i>

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

	2016	<i>2015</i>
	No.	No.
Teachers	44	<i>52</i>
Administration and support	168	<i>177</i>
Management	13	<i>13</i>
	225	<i>242</i>

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

	2016	<i>2015</i>
	No.	No.
In the band £100,001 - £110,000	1	<i>1</i>

The above employee participated in the Teachers Pension Scheme. During the year ended 31 August 2016, pension contributions amounted to £17,843 (£2015: £14,537).

The key management personnel of the academy trust comprises 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 £672,246 (2015: £636,894).

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

11. CENTRAL SERVICES

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits was as follows:

		2016	<i>2015</i>
		£	£
G Denham (Headteacher)	Remuneration	95,000-100,000	<i>90,000-95,000</i>
	Pension contributions paid	15,000-20,000	<i>10,000-15,000</i>
Carol Conlon	Remuneration	25,000-30,000	<i>25,000-30,000</i>
Helen Abell	Remuneration	40,000-45,000	<i>15,000-20,000</i>
	Pension contributions paid	5,000-10,000	<i>0-5,000</i>

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

13. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,338 (2015 - £1,181).

14. PENSION FINANCE COSTS

	2016	<i>2015</i>
	£	£
Interest on pension scheme liabilities	(35,000)	<i>(36,000)</i>

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

15. TANGIBLE FIXED ASSETS

	Long leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	7,883,298	12,492	845,898	95,505	8,837,193
Additions	164,817	20,710	111,983	19,828	317,338
At 31 August 2016	<u>8,048,115</u>	<u>33,202</u>	<u>957,881</u>	<u>115,333</u>	<u>9,154,531</u>
Depreciation					
At 1 September 2015	383,529	2,506	90,489	38,092	514,616
Charge for the year	142,227	5,769	172,589	31,050	351,635
At 31 August 2016	<u>525,756</u>	<u>8,275</u>	<u>263,078</u>	<u>69,142</u>	<u>866,251</u>
Net book value					
At 31 August 2016	<u>7,522,359</u>	<u>24,927</u>	<u>694,803</u>	<u>46,191</u>	<u>8,288,280</u>
At 31 August 2015	<u>7,499,769</u>	<u>9,986</u>	<u>755,409</u>	<u>57,413</u>	<u>8,322,577</u>

Included in Long leasehold property is land at valuation of £4,712,000 (2015 - £4,712,000) which is not depreciated.

The transactions relating to long leasehold property comprised construction of a Resource Base.

16. DEBTORS

	2016 £	2015 £
Prepayments and accrued income	226,105	124,773
VAT recoverable	21,247	22,257
	<u>247,352</u>	<u>147,030</u>

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17. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	35,854	-
Other taxation and social security	86,815	67,525
EFA grant abatement	-	19,403
Other creditors	60,003	46,726
Accruals and deferred income	206,835	99,771
	389,507	233,425

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	66,799	-
Resources deferred during the year	63,680	66,799
Amounts released from previous years	(66,799)	-
Deferred income at 31 August 2016	63,680	66,799

Deferred income relates to grant income for the 2015/16 academic year.

18. CREDITORS:
Amounts falling due after more than one year

	2016 £	2015 £
Other creditors	7,000	-
	7,000	-

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Repayable by instalments	2,000	-
	2,000	-

Included within other creditors is a SALIX loan of £7,000 from the EFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue payments over a 8 year payback. £2,000 is repayable over 5 years.

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

19. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
Unrestricted fund	75,918	89,259	(25,330)	-	-	139,847
Restricted funds						
General Annual Grant (GAG)	156,575	4,528,726	(4,390,885)	(224,124)	-	70,292
Pupil Premium	-	404,125	(404,125)	-	-	-
Other EFA/DfE grants	-	115,696	(115,696)	-	-	-
Local authority income	-	1,024,237	(1,024,237)	-	-	-
Trips and other activities	-	38,715	(38,715)	-	-	-
Other income	-	94,722	(94,722)	-	-	-
Assets on conversion	240,107	-	-	-	-	240,107
Pension reserve	(981,000)	-	(179,000)	-	(919,000)	(2,079,000)
	<u>(584,318)</u>	<u>6,206,221</u>	<u>(6,247,380)</u>	<u>(224,124)</u>	<u>(919,000)</u>	<u>(1,768,601)</u>
Restricted fixed asset funds						
Devolved formula capital	47,568	20,335	-	-	-	67,903
Fixed asset fund	8,322,577	-	(351,635)	317,338	-	8,288,280
Capital maintenance fund	-	171,213	-	(89,566)	-	81,647
Donated assets	-	3,648	-	(3,648)	-	-
	<u>8,370,145</u>	<u>195,196</u>	<u>(351,635)</u>	<u>224,124</u>	<u>-</u>	<u>8,437,830</u>
Total restricted funds	<u>7,785,827</u>	<u>6,401,417</u>	<u>(6,599,015)</u>	<u>-</u>	<u>(919,000)</u>	<u>6,669,229</u>
Total of funds	<u><u>7,861,745</u></u>	<u><u>6,490,676</u></u>	<u><u>(6,624,345)</u></u>	<u><u>-</u></u>	<u><u>(919,000)</u></u>	<u><u>6,809,076</u></u>

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

General annual grant to be spent on educational purposes as specified by the EFA.

The other DfE/EfA restricted fund represents other funding received from the government which does not form part of GAG but is received in relation to specific purposes. Other restricted funds include the local authority grant fund, trips and activities and other income, which must be used for the purposes detailed.

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FOR THE YEAR ENDED 31 AUGUST 2016

19. STATEMENT OF FUNDS (continued)

Pension reserve deficit represents the future pension funding requirements which will be met from future employer pension contributions.

Restricted fixed assets are funds representing the amounts invested in fixed assets. The other restricted fixed asset funds of devolved formula capital, capital maintenance and donations recognise the tangible fixed assets brought from either capital grants or donations. The funds are reduced each year by the depreciation charge of these assets.

Transfers between restricted and restricted fixed asset funds represents capital additions funded by restricted reserves.

Unrestricted funds can be spent on meeting objectives at the discretion of Trustees.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	<i>Total 2015 £</i>
Marish Primary School	245,125	177,159
Willow Primary School	205,121	295,441
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	450,246	472,600
Restricted fixed asset fund	8,437,830	8,370,145
Pension reserve	(2,079,000)	(981,000)
	<hr/>	<hr/>
Total	6,809,076	7,861,745
	<hr/> <hr/>	<hr/> <hr/>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £	<i>Total 2015 £</i>
Marish Primary Academy	2,587,975	567,498	291,095	477,516	3,924,084	3,761,787
Willow Primary Academy	1,615,987	331,974	129,727	270,938	2,348,626	2,163,606
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,203,962	899,472	420,822	748,454	6,272,710	5,925,393
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	8,288,280	8,288,280	8,322,577
Current assets	139,847	706,906	149,550	996,303	753,593
Creditors due within one year	-	(389,507)	-	(389,507)	(233,425)
Creditors due in more than one year	-	(7,000)	-	(7,000)	-
Pension scheme liability	-	(2,079,000)	-	(2,079,000)	(981,000)
	<u>139,847</u>	<u>(1,768,601)</u>	<u>8,437,830</u>	<u>6,809,076</u>	<u>7,861,745</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(133,669)	(141,280)
Adjustment for:		
Depreciation charges	351,635	236,157
Dividends, interest and rents from investments	(926)	(992)
(Increase)/decrease in debtors	(100,322)	645,874
Increase/(decrease) in creditors	163,082	(400,637)
Capital grants from DfE and other capital income	(191,548)	(79,831)
Pension adjustments	179,000	160,000
Net cash provided by operating activities	<u>267,252</u>	<u>419,291</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	748,951	606,563
Total	<u>748,951</u>	<u>606,563</u>

23. PENSION COMMITMENTS

The Academy 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 Royal County of Berkshire. 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

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23. PENSION COMMITMENTS (continued)

March 2013.

Contributions amounting to £59,003 were payable to the schemes at 31 August 2016 (2015 - 46,725) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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 £241,529 (2015 - £214,526).

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).

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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 £275,000 (2015 - £220,000), of which employer's contributions totalled £203,000 (2015 - £162,000) and employees' contributions totalled £72,000 (2015 - £58,000). The agreed contribution rates for future years are 16.6% for employers and between 5.5% and 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	<i>2015</i>
Discount rate for scheme liabilities	2.20 %	<i>4.00 %</i>
Rate of increase in salaries	4.10 %	<i>4.40 %</i>
Rate of increase for pensions in payment / inflation	2.30 %	<i>2.60 %</i>
Inflation assumption (CPI)	2.30 %	<i>2.60 %</i>
Inflation assumption (RPI)	3.20 %	<i>3.50 %</i>

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

	2016	<i>2015</i>
Retiring today		
Males	22.9	<i>22.8</i>
Females	26.2	<i>26.1</i>
Retiring in 20 years		
Males	25.2	<i>25.1</i>
Females	28.5	<i>28.4</i>

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FOR THE YEAR ENDED 31 AUGUST 2016

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	577,000	372,000
Debt instruments	161,000	105,000
Property	153,000	112,000
Cash	50,000	40,000
Gilts	19,000	11,000
Alternative assets	226,000	185,000
	<u>1,186,000</u>	<u>825,000</u>

The actual return on scheme assets was £118,000 (2015 - £16,000).

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

	2016 £	<i>2015 £</i>
Current service cost (net of employee contributions)	(346,000)	(286,000)
Net interest cost	(35,000)	(36,000)
Administration expenses	(1,000)	-
	<u>(382,000)</u>	<u>(322,000)</u>

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

	2016 £	<i>2015 £</i>
Opening defined benefit obligation	1,806,000	1,498,000
Current service cost	346,000	286,000
Interest cost	73,000	65,000
Contributions by employees	72,000	58,000
Actuarial losses/(gains)	999,000	(37,000)
Benefits paid	(31,000)	(64,000)
	<u>3,265,000</u>	<u>1,806,000</u>

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23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	825,000	653,000
Interest income	38,000	29,000
Actuarial gains and (losses)	80,000	(13,000)
Contributions by employer	203,000	162,000
Contributions by employees	72,000	58,000
Benefits paid	(31,000)	(64,000)
Administration expenses	(1,000)	-
	<u>1,186,000</u>	<u>825,000</u>
Closing fair value of scheme assets	<u>1,186,000</u>	<u>825,000</u>

The amount shown in the balance sheet is:

	2016 £	2015 £
Present value of defined benefit obligation	(3,265,000)	(1,806,000)
Fair value of scheme assets	1,186,000	825,000
	<u>(2,079,000)</u>	<u>(981,000)</u>
Defined benefit pension scheme liability	<u>(2,079,000)</u>	<u>(981,000)</u>

24. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	60,589	26,795
Between 1 and 5 years	70,553	35,031
	<u>131,142</u>	<u>61,826</u>
Total	<u>131,142</u>	<u>61,826</u>

25. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

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

26. 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.

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.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	<i>1 September 2014</i>	<i>31 August 2015</i>
	£	£
Total funds under previous UK GAAP	7,979,025	7,861,745
Total funds reported under FRS 102	<u>7,979,025</u>	<u>7,861,745</u>

Reconciliation of net (expenditure)	Notes	<i>31 August 2015</i>
		£
Net (expenditure) previously reported under UK GAAP		(127,280)
Change in recognition of LGPS interest cost	A	(14,000)
Net movement in funds reported under FRS 102		<u>(141,280)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £14,000 and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.