

MARISH ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 – 11
Governance statement	12 – 19
Statement on regularity, propriety and compliance	20
Statement of trustees' responsibilities	21
Independent auditor's report on the financial statements	22 – 24
Independent reporting accountant's report on regularity	25 – 26
Statement of financial activities incorporating income and expenditure account	27
Balance sheet	28
Statement of cash flows	29
Notes to the financial statements	30 - 56

MARISH ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Members

R Grayson
C Small
A Kelkar (Resigned 29 November 2018)
R. G. Ratcliffe (Appointed 11 March 2019)
Dr M. Maher (Appointed 11 March 2019)
G. Morgan (Appointed 11 March 2019)

Trustees / Governors

R Grayson (Chair of Trustees)
V Turner (Resigned 10 November 2019)
C Small
A Kelkar (Appointed 29 November 2018)
H Okoro
C Heywood
S Hall (Appointed 1 December 2018)
U Ahmad (Resigned 29 November 2018)
G Denham (Executive Headteacher)

Local Governors:

C Conlon
M Mufti
D Damera (Resigned June 2019)
M Muhammed (Appointed 17 June 2019)
H Abell (Appointed 1 September 2018)
J. Wills (Resigned 22 January 2019)
K Baig (Appointed 12 June 2019)
D Sinclair (Appointed 1 September 2018)

Company Secretary

N/A

Senior Management Team

G Denham (Executive Headteacher)
A Court (Deputy headteacher)
D Sinclair (Deputy headteacher)
L Kelly (Deputy headteacher)
N Gentles (Deputy headteacher)
S Quadir (Deputy headteacher)
E. Dowe (Deputy Headteacher, appointed September 2018)
A Wroblewski (Executive Finance Lead resigned and left Trust December 2018)
P Hewlett (Acting Finance Lead from Sep 18, appointed as Trust Finance lead July 19)
B Bradshaw (Executive Facilities Lead)
S Wroblewska (Executive HR Lead resigned and left Trust November 2018)
Alka Rajput (Trust Assistant HR Manager from Jan 2019)
C Conlon (Safeguarding Manager)
S Adams (formerly Office Manager, Trust Executive Administrator from May 2019)

MARISH ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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 Auditor

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

TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates two primary academies for pupils aged 2 to 11 serving a catchment area in Slough. It had a combined roll of 1286 in the school census in May 2019, increased from 1227 in May 2018, confirming an increasing number on roll each year.

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 Trust.

Membership of the Academy Trust comprises the following:

Marish Primary 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.

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.

TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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. A similar pay policy is used for all support (non teaching) staff, based on a Schools HR Cooperative model. The Strategic Board of the Governing body will determine the salary of a serving Executive, Deputy or Assistant headteacher and Senior Administration Executives in accordance with the policies.

Executive, Deputy and Assistant headteachers and Senior Administration Executives must demonstrate sustained high quality of performance in respect of trust wide/school leadership and improvement and pupil progress. All senior staff are subject to a review of performance against their performance objectives before any performance points will be awarded. Guidance provided by the Department of Education, concerning the application of the criteria for Leadership Group progression will be taken fully into account.

The arrangements for setting the pay and the remuneration of the Executive Headteacher, follow the Department of Education agreed model, with trustee representatives meeting with an external advisor, to evaluate their performance and then making a recommendation to the board of trustees about pay and remuneration.

Our process for determining the pay and remuneration of all senior leaders, is fully compliant with the Academies Handbook 2019 and we are aware that executive pay not only includes salary but that other benefits, such as pension should be factored into our considerations.

Related parties and other connected charities and organisations.

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

Marish Academy trust, is not part of any soft federations and nor does it have any formal or contractual relationships with connected parties and organisations. We are mindful of our responsibilities as the custodian of public funds and therefore avoid or declare any pecuniary or personal interests with related parties.

TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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 curriculum and learning environment within a community context that works in partnership with other local stakeholders to ensure the wellbeing and every pupil 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. Outreach is also provided to other schools including a major project with Iqra School in its third year in 2019/20

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, our Resilience Building Curriculum Project, Attachment Awareness Hub, R-Time and International Schools Awards and our specialist Resource base and Reading Recovery Teams.

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 'ITT Trainees Programme', 'Empower to Deliver', 'Fast track into leadership', and the 'Junior Leaders' Programme which are individually tailored to meet the needs of each participant.

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 plans to reorganise the offices at Marish, which are due to be completed in 2020. A major build to provide a permanent resource base extension is underway, due to be completed by middle of 2020. Further projects ideas currently being considered by the Leadership Team and Governors are the provision of more covered outdoor play space in both schools, the redesign of both EYFS outdoor areas, a KS2 playground resurfacing project at Marish and a reorganisation of the car parking and entrance to both schools.

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. Our over arching aim is to improve educational outcomes and wellbeing for the children and families they serve.

STRATEGIC REPORT-Achievements and Performance

Marish 2019 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	82%
National Average 2018	72%
National Average Point Score 2018 was 34.5	Marish Average Point Score 2019 was

Phonics screening results

Year 1 – percentage of pupils who passed	82%
National Average 2018	82%

Key Stage 1/Year 2 SATs Provisional results for 2019

2019 (2018 National figures in brackets)	Reading	Writing	Maths
Working AT	88% (75%)	85% (70%)	88% (76%)
Working at Greater Depth	25% (26%)	20% (16%)	22% (22%)

Key Stage 2/Year 6 Provisional SATs Results for 2019

2019	Reading	Writing	SPAG	Mathematics	RWM combined
Expected (National Average 2019)	92% (73%)	95% (78%)	90% (78%)	90% (79%)	85% (65%)
Average scaled score for those at expected level	108.6	N/A	109	110	109
Working at greater depth	46%	33%	46%	51%	20%
Average Progress scores from KS1-2	2.3	1.3	n/a	3.0	

Willow 2019 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	74%
National Average 2018	72%
National Average Point Score 2018 was 34.5	Willow Average Point Score 2018 was

TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Phonics screening results

Year 1 – percentage of pupils who passed	88%
National Average 2017	82%

Key Stage 1/Year 2 SATs Provisional results for 2019

2019 2018 National figures in brackets	Reading	Writing	Mathematics
Working AT	81% (75%)	76% (70%)	81% (76%)
Working at Greater Depth	17% (26%)	17% (16%)	30% (22%)

Key Stage 2/Year 6 Provisional SATs Results for 2019

2019 2017 National figures in brackets	Reading	Writing	SPAG	Mathematics	RWM combined
Expected (National Average 2019 in brackets)	89% (73%)	92% (78%)	83% (78%)	88% (79%)	84% (65%)
Average scaled score for those at expected level	109	N/A	108)	110	109
Working at greater depth	43%	37%	45%	50%	19%
Average Progress scores KS1 – KS2	4.9	3.6	n/a	4.9	

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
Bold figures show where **Marish/ Willow has exceeded national figures for 2019** (if released).

STRATEGIC REPORT.

Key Performance Indicators

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

- % of Employee Total Costs to total income was 78.0% compared to 77.0% in 2018;
- % of Direct Educational Operation Cost to Total Cost was 72.5% compared to 72.2% in 2018;
- % of Support Costs – educational operation to Total Cost was 27.5% compared to 27.8% in 2018; and
- % of Premises' Costs to Total Cost was 5.69% compared to 5.57% in 2018.

TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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 2018-19 financial year the trust has been able to maintain healthy financial position. The trust has remained resilient in the year under challenging economic conditions and at the same time continues to move forward in achieving its aim of providing an outstanding education to all pupils.

The trust has continued to invest in facilities, namely during this year, various projects to enhance facilities for all children, such as soft play equipment, new air-conditioning units and flat screen interactive TVs in all classrooms, refurbishing most toilets at Willow and several at Marish. Additionally we have invested in new iPads for all staff members and several ICT initiatives aimed at reducing workload. These include, Pupil Asset a SIMS to replace SIMS, Iris and Blue SKY, an online performance appraisal system. Whilst we await the completion of our new SEND extension wing, funded by the LA, we have bought the resources we need to educate these children well, as they are already in school. Finally we have redecorated several classrooms and corridors and at Marish refurbished two offices. The trust with the support of the Local Authority continues to improve and increase the provision of place numbers within our Resource Base, including several children from neighbouring Local Authorities as well as an increase to 45 places commissioned by Slough. Additionally, at Marish, we opened a bulge class in October 2018 and another in October 2019, both at the behest of the LA, but also to relieve enormous pressure from endless successful appeals.

Excluding capital income and expenditure and pension adjustments, the total income for the year has increased by £39,539 to £6,736,295 whilst the total expenditure has increased by £110,881 to £6,307,745. This has resulted in a surplus of £428,550 (2018: surplus of £449,892 was achieved).

The trust has exceeded its target for the level of reserves of £200,000 and maintained a healthy cash-flow throughout the year.

Moving forward, the trust has reviewed the level of staffing costs in the three year budget forecast and believe we can maintain current provision, with expenditure on staffing at below 85%. This includes taking into account, a flat funding projection and upcoming increase of employment costs (pensions and national insurance) and raising inflation. Additionally, to enable us to provide value for money, we are currently undertaking an in-depth benchmarking exercise.

The FRS102 pension scheme liability at 31 August 2019 has increased by £957,000, including an actuarial loss of £515,000 in the year (gain of £516,000 in 2017/18). It does not have a direct impact on the operation of the trust and at present does not contribute towards financial risks in the trust finances.

TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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 £200,000 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 2019 were £5,713,892. This figure consists of unrestricted £341,561 and restricted £866,865 funds and includes fixed asset funds and pension reserve. The actual reserves excluding pension and assets funds equates to £1,208,426.

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 2019 the total funds comprised:

Unrestricted		341,561
Restricted:	Fixed asset funds	7,594,466
	Pension reserve	(3,089,000)
	Other	806,865
		<u>£5,653,892</u>

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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 2018/19 was even more successful than 2017/18. Progress results are above average in both schools and attainment places both schools in the top 5 in Slough as well as above average nationally. In 2018 we were again invited to contribute to the 2019 Parliamentary review, published recently. Such sustained success 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 budget and 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, potential negative impact factors must also be considered, and therefore regular financial monitoring and control is vital to long term sustainability. Here our audit committee, plays a vital part, providing challenge and support to the Academy Leadership team and ensuring we are not only compliant with the latest Academies Financial Handbook, but also demonstrate best practice in strategic planning, completing regular resource, premises and curriculum management forecasts, compared to actual expenditure in this and previous years. Moreover, the Trust has a well-established reserves policy that protects the operation of the schools and contributes to their future security. These measures ensure the Trust conforms to best practice, and form part of its overall financial control and governance framework.

Most importantly of all, this strategic action 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.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

PLANS FOR FUTURE PERIODS (continued)

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, beginning with the SEND wing expansion projects to address the need for further SEND places within our community.

FUNDRAISING

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

AUDITOR

Insofar 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.

The auditors, MHA MacIntyre Hudson, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2019 and signed on the board's behalf by:

Rev. R. J. Grayson
Trustee

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

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 the 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:

	Trustee/Member	Term of Office	Attendance (11 Meetings)
R Grayson	T/M	20/10/15 - 19/10/19	100%
S. Hall	T	1/12/18 – 31/11/22	50%
H Okoro	T	11/9/17 – 10/9/21	82%
C Small	T/M	14/3/16 - 13/3/20	73%
C. Heywood	T	15/1/18 – 14/1/22	73%
V Turner	T	20/10/15 - 19/10/19	73%
G Denham	T	10/11/2014	100%
A Kelkar	T	16/01/2017 -15/01/2021	55%

Review of Governance

Over the academic year 2018/19 we have evaluated the effectiveness of the governing body at regular monthly intervals using the suggested 21 questions for Multi Academy Trusts produced by the EFA

Firstly, a review of the governing body is included in the SEF and referenced in each termly head teacher's report and extracts are shown below:

Extract from the SEF dated August 2019

'Governance

Since November 2015, the Strategic Board of the Governing Body has continued to develop its expertise and ability to challenge and support the school leadership. Several new trustees have engendered a new team spirit within the governing body, which has resulted in much more involvement, particularly with the leadership team. They also bring together complementary skill sets, such as financial acumen, pastoral and leadership skills and safeguarding excellence. Governors attend monthly Strategic Board meetings and join staff for leadership training, safeguarding training and annual visioning days.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Review of Governance (continued)

The trustees maintain an overview of all aspects of the work of the school, including budget setting, staff appointments, monitoring of standards and support and challenge leaders. They are knowledgeable about the school and fulfil all their statutory duties, including those relating to the Equality Act 2010- and the latest version of KCSiE. Regular meetings with the SIP and other consultants, as well as with the school leadership ensure that the link Governors for Child Protection, Pupil Premium, Sports 'Premium and SEND have a developed understanding of how the allocated money is spent and its impact. The Ofsted report 2019 states:

'Your Governors provide a good balance of support and challenge to you and your leadership team. They are knowledgeable because they visit the school regularly to see for themselves how well the school runs on a daily basis.'

Reviewing the data and policies before the meetings, and having an in-depth understanding of what standards should look like, allows governors to ask probing questions and to challenge the school appropriately, having an immediate impact on school improvement. One such example is mentioned in the SIP's report from March 2019:

'For example, during a meeting I attended on the day of my visit, governors were moved by a thorough explanation of 'attachment issues', which affect so many of the pupils across both academies. All leaders work closely with governors to share their work. Leaders attend meetings with governors and some governors visit the academies to see pupils' learning. As a result, governors challenge leaders skillfully because of their excellent knowledge and understanding of the academies' performance. Governors' minutes show that they pose insightful questions to all leaders.'

Extract from Headteacher's report in autumn term 2018

A) Updated evaluation of effectiveness of the Strategic Board

Evaluation of effectiveness of strategic Board and its ability to challenge leadership and fulfil statutory duties such as policy development, monitoring of finances and other key functions. Each term we review the impact of the involvement of governors in school. Former HMI and our SIP meet governors regularly and have provided further useful feedback and training to the GB. We have revised our GB monitoring policy explicitly linked to school improvement priorities in the last month, so that it reflects current practice. The Strategic Board has also promptly addressed some challenging school improvement, HR and finance issues over the last year and therefore the overall effectiveness of the governing Body is judged to be at least good.

In the past we have reviewed the governing body efficacy twice yearly at the May and November Strategic Board meetings. From autumn 2016, we have used the suggested framework for governing body review- 21 questions published by the NGA and this will be repeated in academic year 2018-9

Another focus is the Governing Body's SMSC, Prevent, British values responsibilities and awareness, which are regular items on the strategic board agenda along with attendance and exclusions to date. Advice from Ofsted, which included 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, has been included in the Aspire Plan and actioned.

Extract from Headteacher's report in summer term 2019

B) Leadership training- IE2D and updated evaluation of Academy Aspire Plan/SEF

This year we have not held a visioning day as the visioning day held in early July 2018 determined priorities for school and trust improvement over the next two years. Listed below are the agreed five priorities from that day, although the specific foci change over time:

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Extract from Headteacher's report in summer term 2019 (continued)

Strategic Leadership development: specifically, management of change, teaching and learning, HR and finance. This has proved timely, as our Finance and HR leads both left the trust, at short notice, in the autumn of 2018 and our succession planning was key to ensuring stability. The fact that we have managed HR and Finance with these vacancies throughout this academic year, with no major difficulty, is a testament to the robust senior leadership team and the commitment of governors.

Teaching and Learning: specifically, Literacy (foci spelling and handwriting); Progress and attainment for years 3 and 4; a major overhaul of the whole curriculum beyond the core subjects and associated assessment and extra-curricular provision. These new targets are in place for 2019-20 as well as embedding the excellent Maths and Reading and Writing provision in place, along with the continued development of the IMPACT Strategy to measure our progress towards pupil related progress targets.

Personal development, behaviour and welfare: continue to track inclusion provision, behaviour steps, attendance and exclusions for every child, monitoring the impact on their progress and attainment and developing personalised interventions for all to remove barriers to learning inside and outside school.

Pupil Outcomes: Maintain the very good EYFS, Phonics Screening, KS1 and KS2 outcomes for 2017 and 2018 at both expected and greater depth standards and improve outcomes still further for disadvantaged and more able children as well as closing the few remaining progress/attainment gaps between groups of children trust wide.

Parental Engagement, Partnerships, Pupil Voice and Public relations- continue with many initiatives already launched.

Empower to deliver (E2D)

This academic year we have had three Empower to Deliver training sessions so far. Both were full-day sessions. The first was held at Marish, with a specific focus on strategic leadership for new ALT members. A second session was held at Denham Grove in January and focused on team building and curriculum development for each trust wide year group team. This term, our day at Denham Grove focussed on Practical Attachment Awareness Training, in the morning for 20 staff members and a half day team building session for the trust wide administrative team, in the afternoon. Next year, with Ofsted in prospect, we are likely to run Ofsted preparation courses for leaders, staff and governors at E2D.

In addition to E2D, Elisabeth Linley and Susan Gadd, former HMIs, have visited Marish three times this academic year, to undertake lesson observation training with 10 middle and senior leaders across the trust. This was very well received and Elisabeth was very pleased by the rapid improvement in the quality of observations, enhanced by the introduction of IRIS.

The Aspire Plan for 2019-20 and the SEFs for both schools are in a process of a major overhaul, to align them with the new Ofsted Framework, due to be launched in September 2019. The SEFs and plans we have used over the last several years are based on the previous Ofsted framework and although the content will not change substantially, these will re-structured and formatted for September 2019, so watch this space. Naturally, they will also include priorities generated through our 2019 suite of results in both schools. To improve staff engagement and ownership of whole school or trust wide improvement targets, responsibilities for various targets have been handed over to small teams, who have developed 24, so called 'Ignite Plans'. These sub plans are presented to either, TWSLT, Fast Track, ALT or SB once a term and the leaders have to feedback on progress towards targets. This process has been an inspired move, which has tapped into the creativity and initiative of the wider staff team and galvanised many more staff to actively contribute to school improvement and not just teachers too.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic leadership development that remains our first priority into 2019/20, along with a subtle change of focus from aiming to be outstanding; to aiming to unlock potential so everyone can be the best they can be.

As mentioned above the governors are involved in many ways in the life of the school. For example during 2018-19:

- Helen Okoro, Stephen Hall, Chrissy Small, Avijit Kelkar, Vivienne Turner, Carol Heywood and Robin Grayson have all met with the former HMs, at least once and discussed such issues as attendance, exclusions, statutory responsibilities, work scrutiny, Ofsted preparation and data triangulation.
- Robin Grayson and Chrissy Small have met with the SIP to complete the HTs performance management.
- All governors were able to consult with the SiP when he attended the strategic board in March- see extract from minutes of that meeting below.
- All trustees except Carol Heywood and a change management consultant, Gill Morgan have attended audit committee meetings during the course of the year.
- Avijit Kelkar, Chrissy Small and Robin Grayson have also chaired or been part of disciplinary panels.
- Several governors/trustees supported the school during SATs, confirming papers where unopened, observing tests etc.
- Several governors/ trustees including our newest recruit- Jen Wills have attended schools for tours and learning walks and for celebration events, such as concerts assemblies and awrds evenings.
- Vivienne Turner has agreed to take on the health and safety governor role again this term and Helen Abell has agreed to take on the role of safeguarding governor from September 2019.
- Several governors/trustees met with Ofsted when Marish was inspected in July 2019
- Several governors/trustees attended training in July and September 2019 on the curriculum
- The current chair Robin Grayson meets with the Executive headteacher at least fortnightly throughout the school year.

Both schools have achieved very positive results in 2018/19. In July the SIP, Stephen Bywater, predicated these were exceptional with the following comments:

- 'SB advised that none of the other schools he works with had matched the greater depth results achieved here and the 10% above national across all subjects. The combined figure is really strong and this is all the more remarkable giving the initial starting points of the children. SB also commented on the quality of the leaders and the impact work across the trust. He anticipated that the progress scores are likely to be well above national again in both schools in 2019. He has been proved correct.
- Attainment in both schools is above 80% for RWM combined and both schools are in the top 5 schools in Slough. Marish was featured in the Parliamentary Review in 2018 and Willow in 2019 as noted below.
- *' I am delighted to invite Willow Primary School to appear in The Parliamentary Review 2019 showcasing the school's best practice as a learning tool to the public and private sector, in particular to those in education. The key idea is to demonstrate how determined leadership and innovative thinking can turn around organisations or to highlight how organisations/individuals have become outstanding leaders in their field. The contributors thus act as a template for reform.*

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Both schools have achieved very positive results in 2018/19. In July the SIP, Stephen Bywater, predicated these were exceptional with the following comments:

In July 2019, Ofsted returned to Marish. See below an extract from the report confirming the school remains good:

'This school continues to be good. The leadership team has maintained the good quality of education in the school since the last inspection. Based on the evidence gathered during this short inspection, I am of the opinion that the school has demonstrated strong practice and marked improvement in specific areas. This may indicate that the school has improved significantly overall. Therefore, I am recommending that the school's next inspection be a section 5 inspection.'

Finally, this success is all the more impressive, given the challenges of funding cuts, endless financial insecurity and scrutiny, a national recruitment crisis, considerable deprivation in our locality, a challenging relationship with the LA and inadequate social care provision. Our achievements are only possible because here at Marish and Willow, we have a dream team: that is, a group of people utterly committed to enabling others to be the best they can be.

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:

- Reviewing all spending during 2019 and comparing income and expenditure with the previous two financial years. This has included a focus on ensuring our budget forecast is more realistic and accurate for the next three years, than was previously the case. Discounts have also been negotiated and savings achieved by buying three year licences for software such as IRIs and moving our School Information Management System from SIMS to a new provider, Pupil Asset.
- Additionally, historical monies owing to us by the LA for SEND pupils were paid in August 2018 and these have been used to improve provision for the current children, with additional ICT equipment purchased including flat screen interactive TVs trustwide, air conditioning installed in all upstairs rooms at Marish school and extra staff recruited to support these children in school with complex needs and well-being issues. Two senior leaders have been trained as attachment leads and one additional staff member and a former consultant have been trained as play therapists, supported by the Trust.
- 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. For example, three tenders were obtained for the kitchen extension work at Marish this year.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

REVIEW OF VALUE FOR MONEY

- Monthly Management accounts have been a necessary focus this year and we have worked hard with our auditors to ensure compliance, even though the budget we had set in July 2018, was far too low. These are produced at monthly intervals and shared with Trustees, a month or two in arrears and with the chair each month. Any significant variances against budget or previous years are analysed and addressed as necessary. For example, we monitor KPI such as the overall percentage of staffing costs as a percentage of income with the Chair of trustees each month.
- The departure of the previous Finance and HR leads has provided an opportunity for the Trust to distribute the leadership of Finance and HR more widely and there is increasing transparency across the Academy Leadership and between Trustees about cash flows, expenditure, income streams, budgeting, managing staff workload, attendance and well-being to maximise the potential of our workforce and minimise disruption such as excessive turnover. This has been very effective, as we are now in a situation for the first time in 10 years, where we do not need to use supply teachers routinely. Moreover, the teaching team has a greater appreciation of the skills and role of the support staff team and vice versa, through a programme of shadowing and mentoring, which all senior leaders participate in.

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 2018 to 31 August 2019 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees and from 1st September 2019, this will be a key part of the work delegated to our audit committee.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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 monthly financial reports, including management accounts which are reviewed and agreed by the audit committee/board of trustees
- regular reviews by the audit 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 against KPI such as those suggested in the benchmarking report sent out by DFE
- clearly defined purchasing (asset purchase or capital investment) guidelines including a competitive tendering policy.
- Regular checking and scrutiny of systems such as: Bank & cash; Central nominal ledger; Fixed Assets; Treasury management; Insurance; Sales & Debtors; Budgetary control; Financial Reporting; Suppliers; Tendering; Payroll
- delegation of authority and segregation of duties: scheme of delegation is revised annually
- identification and management of risks reviewed in annual risk register exercise, from 2019 carried out by audit committee in June each year, ready to inform the internal audit programme of work agreed by the audit committee each autumn.

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

- For 2018/19, the process the Trust has used to check its financial systems, controls, transactions and risks has been to engage its external auditor to do a supplementary programme of work, focussing on Review of Financial Procedures Manual (to suggest updates and amendments to the processes detailed in the manual), and on Review of the Management Accounts Process (to ensure the information produced for Trustees was in compliance with the AFH, and to suggest possible improvements in the format). The latest such report is dated April 2019 and will be submitted with our accounts as per AFH 2019 para.3,15.
- For 2019-20, the trustees have decided on a yearly scheme of internal scrutiny work, driven and agreed by the audit committee which has been informed by our annual review of the risk register to include:
 - The timely review of management account practice and compliance in the autumn term, following the previous recommendations of the auditor report on the same last April.
 - In the first half term of 2020 we will review our key performance indicators in the light of our completed school resource management checklist due to be submitted in November 2019.
 - During the early part of the summer term a review of budgeting and expenditure and any variances in preparation for the budget out turn forecast in May and the three year budget forecast in July.

It is likely we will appoint an internal auditor to support us with this programme of work which will include the direct reporting of regular updates to the audit committee, including recommendations where appropriate to enhance financial and other controls and risk management and a short annual summary report to the audit committee for each year ended 31 August, from 2020, outlining the areas reviewed, key findings, recommendations and conclusions, to help the committee consider actions and assess year on year progress.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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/reviewer
- the work of the external auditor
- the financial management and governance self-assessment process using relevant KPIs and the school resource management tool.
- the work of the managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The trustees and accounting officer have been advised of the implications of the result of their review of the system of internal control by the **audit committee and the auditors' reports. These conclusions have informed the programme of work and the plan for the next year ensuring any weaknesses are addressed and that** rigorous improvement of our financial systems is continually reviewed.

Approved by order of the members of the board of trustees on 9 December 2019 and signed on its behalf by:

Rev. R. J. Grayson
Trustee

G Denham
Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2019**

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

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of all 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 2018.

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

G Denham
Accounting officer

9 December 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Trustees on 9 December 2019 and signed on its behalf by:

R Grayson
Chair of Trustees

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

Opinion

We have audited the financial statements of Marish Academy Trust (the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the 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 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MARISH ACADEMY TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report and the Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees' Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors Report) for the financial year for which the financial statements are prepared is consistent with the financial statements and
- the Strategic Report and the Directors Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MARISH ACADEMY TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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

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: 20 December 2019

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

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Marish Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Marish Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Marish Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Marish Academy Trust and ESFA, 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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;
- consideration of governance issues;
- evaluating the internal control procedures, reporting lines, 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

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

Date: 20 December 2019

MARISH ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	2,720	67,633	70,353	40,197
Charitable activities	4	69,037	6,643,731	-	6,712,768	6,677,886
Other trading activities	5	20,047	-	-	20,047	15,959
Investments	6	760	-	-	760	503
Total income		89,844	6,646,451	67,633	6,803,928	6,734,545
Expenditure on:						
Charitable activities	8	70,470	6,739,275	381,529	7,191,274	7,045,237
Total expenditure	7	70,470	6,739,275	381,529	7,191,274	7,045,237
Net (expenditure)/ income		19,374	(92,824)	(313,896)	(387,346)	(310,692)
Transfers between funds	19	-	1,341	(1,341)	-	-
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(515,000)	-	(515,000)	516,000
Net movement in funds		19,374	(606,483)	(315,237)	(902,346)	205,308
Reconciliation of funds:						
Total funds brought forward		322,187	(1,675,652)	7,909,703	6,556,238	6,350,930
Net movement in funds		19,374	(606,483)	(315,237)	(902,346)	205,308
Total funds carried forward		341,561	(2,282,135)	7,594,466	5,653,892	6,556,238

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 56 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	7,594,466	7,798,775
		<u>7,594,466</u>	<u>7,798,775</u>
Current assets			
Debtors	16	132,862	105,389
Cash at bank and in hand		1,432,613	1,070,982
		<u>1,565,475</u>	<u>1,176,371</u>
Creditors: amounts falling due within one year	17	(410,549)	(278,908)
Net current assets		<u>1,154,926</u>	<u>897,463</u>
Total assets less current liabilities		<u>8,749,392</u>	<u>8,696,238</u>
Creditors: amounts falling due after more than one year	18	(6,500)	(8,000)
Defined benefit pension scheme liability	25	(3,089,000)	(2,132,000)
Total net assets		<u><u>5,653,892</u></u>	<u><u>6,556,238</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	7,594,466	7,909,703
Restricted income funds	19	806,865	456,348
Pension reserve	19	(3,089,000)	(2,132,000)
Total restricted funds	19	<u>5,312,331</u>	<u>6,234,051</u>
Unrestricted income funds	19	<u>341,561</u>	<u>322,187</u>
Total funds		<u><u>5,653,892</u></u>	<u><u>6,556,238</u></u>

The financial statements on pages 27 to 56 were approved by the Trustees, and authorised for issue on 9 December 2019 and are signed on their behalf, by:

R Grayson
Chair of Trustees

G Denham
Accounting Officer

The notes on pages 30 to 56 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	21	471,458	343,316
Cash flows from investing activities	23	(108,827)	38,292
Cash flows from financing activities	22	(1,000)	-
Change in cash and cash equivalents in the year		361,631	381,608
Cash and cash equivalents at the beginning of the year		1,070,982	689,374
Cash and cash equivalents at the end of the year	24	1,432,613	1,070,982

The notes on pages 30 to 56 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

• **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Charitable activities**

Expenditure on 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

Assets costing £5,000 or more are capitalised as tangible fixed assets 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 and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long-term leasehold property	- 2% per annum straight line (buildings only)
Fixtures and fittings	- 20% per annum straight line
Motor vehicles	- 20% per annum straight line
Computer equipment	- 33% per annum straight line

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.7 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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 recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 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.

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

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

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

1.14 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 institution with whom the funds are deposited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

3. Income from donations and capital grants

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	2,720	-	2,720
Capital Grants	-	67,633	67,633
	2,720	67,633	70,353

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

Income from donations and capital grants (continued)

Comparatives for 2018

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Donations	2,408	-	2,408
Capital Grants	-	37,789	37,789
Total 2018	<u>2,408</u>	<u>37,789</u>	<u>40,197</u>

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	4,917,132	4,917,132
Pupil premium	-	328,927	328,927
Other DfE/ESFA revenue grants	-	196,210	196,210
	-	5,442,269	5,442,269
Other government grants			
Local authority revenue income	-	1,081,743	1,081,743
	-	1,081,743	1,081,743
Other funding			
Other income	69,037	119,719	188,756
	<u>69,037</u>	<u>119,719</u>	<u>188,756</u>
	<u>69,037</u>	<u>6,643,731</u>	<u>6,712,768</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

Comparatives for 2018

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	5,021,851	5,021,851
Pupil premium	-	373,361	373,361
Other DfE/ESFA revenue grants	-	152,301	152,301
	-	5,547,513	5,547,513
Other government grants			
Local authority revenue income	-	949,702	949,702
	-	949,702	949,702
Other funding			
Other income	74,213	106,458	180,671
	74,213	106,458	180,671
	74,213	6,603,673	6,677,886

There are no unfulfilled conditions or other contingencies attached to the government grants above.

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	611	611	1,265
Other income	19,436	19,436	14,694
	20,047	20,047	15,959

All income in 2018 and 2019 was classed as unrestricted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	760	760	503

All income in 2018 and 2019 was classed as unrestricted.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Academy's educational operations:				
Direct costs	4,380,654	154,703	635,530	5,170,887
Allocated support costs	1,315,025	256,367	448,995	2,020,387
	<u>5,695,679</u>	<u>411,070</u>	<u>1,084,525</u>	<u>7,191,274</u>

Comparatives for 2018

	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Academy's educational operations:				
Direct costs	4,236,728	148,704	702,167	5,087,599
Allocated support costs	1,363,161	243,421	351,056	1,957,638
Total 2018	<u>5,599,889</u>	<u>392,125</u>	<u>1,053,223</u>	<u>7,045,237</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Academy's educational operations	70,470	7,120,804	7,191,274
Comparatives for 2018			
	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Academy's educational operations	17,043	7,028,194	7,045,237

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Academy's educational operations	5,170,887	2,020,387	7,191,274
Comparatives for 2018			
	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Academy's educational operations	5,087,599	1,957,638	7,045,237

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	4,368,377	4,223,072
Depreciation	381,529	378,373
Technology costs	79,269	153,597
Educational supplies	124,104	98,251
Educational consultancy	110,771	119,412
Staff expenses	44,514	69,874
Other direct costs	62,323	45,020
	5,170,887	5,087,599

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance cost	52,000	52,000
Staff costs	1,327,302	1,376,817
Technology costs	11,990	-
Premises costs	316,367	243,421
Other support costs	284,373	266,605
Governance costs	28,355	18,795
	2,020,387	1,957,638

10. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Gifts made by the trust	450	-	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019	2018
	£	£
Operating lease rentals	110,248	98,288
Depreciation of tangible fixed assets - owned by charity	381,529	378,373
Fees paid to auditors for:		
- audit	9,000	9,000
- other services	19,355	9,795
	<u> </u>	<u> </u>

12. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	4,254,741	3,966,764
Social security costs	364,696	342,934
Pension costs	1,001,749	974,247
	<u>5,621,186</u>	<u>5,283,945</u>
Agency staff costs	74,493	315,944
	<u>5,695,679</u>	<u>5,599,889</u>

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	50	50
Administration and support	141	129
Management	9	11
	<u>200</u>	<u>190</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. Staff costs (continued)

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	-	1
	=====	=====

d. Key management personnel

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 and employers national insurance) received by key management personnel for their services to the Academy Trust was £834,353 (2018: £726,510).

13. Related party transactions - trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
G Denham, Head Teacher	Remuneration	100,000 - 105,000	110,000 - 115,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000

During the year ended 31 August 2019, no Trustee incurred expenses (2018 - £NIL).

14. Trustees' and Officers' insurance

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	8,203,537	48,950	1,055,194	115,333	9,423,014
Additions	43,343	9,600	27,975	96,302	177,220
At 31 August 2019	<u>8,246,880</u>	<u>58,550</u>	<u>1,083,169</u>	<u>211,635</u>	<u>9,600,234</u>
Depreciation					
At 1 September 2018	820,074	26,760	670,720	106,685	1,624,239
Charge for the year	149,209	9,640	203,356	19,324	381,529
At 31 August 2019	<u>969,283</u>	<u>36,400</u>	<u>874,076</u>	<u>126,009</u>	<u>2,005,768</u>
Net book value					
At 31 August 2019	<u><u>7,277,597</u></u>	<u><u>22,150</u></u>	<u><u>209,093</u></u>	<u><u>85,626</u></u>	<u><u>7,594,466</u></u>
At 31 August 2018	<u><u>7,383,463</u></u>	<u><u>22,190</u></u>	<u><u>384,474</u></u>	<u><u>8,648</u></u>	<u><u>7,798,775</u></u>

included in long leasehold property is land at valuation of £4,712,000 (2018: £4,712,000) which is not depreciated.

16. Debtors

	2019 £	2018 £
Due within one year		
Prepayments and accrued income	101,635	102,124
VAT recoverable	31,227	3,265
	<u><u>132,862</u></u>	<u><u>105,389</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	26,163	9,355
Other taxation and social security	92,686	86,745
Other creditors	81,205	71,802
Accruals and deferred income	210,495	111,006
	410,549	278,908
	2019	2018
	£	£
Deferred income at 1 September 2018	62,873	71,787
Resources deferred during the year	55,254	62,873
Amounts released from previous periods	(62,873)	(71,787)
	55,254	62,873

Deferred income relates to monies received from the ESFA relating to Infant Free School Meals for the 2019/20 school year.

Included within other creditors due in less than one year is a SALIX loan of £1,000 (2018: £500) from the ESFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue grants over an 8 year payback.

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

	2019	2018
	£	£
Other loans	6,500	8,000

Other creditors falling due within more than one year is comprised of a SALIX loan of £6,500 provided on the following terms: interest is not charged and repayments will be made through a reduction of revenue grants over an 8 year payback. £1,500 of this loan is repayable after more than 5 years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	322,187	89,844	(70,470)	-	-	341,561
Restricted general funds						
General Annual Grant (GAG)	426,260	4,917,132	(4,977,132)	31,429	-	397,689
Pupil premium	-	328,927	(328,927)	-	-	-
Other DfE/ESFA grants	-	196,210	(196,210)	-	-	-
Local authority income	-	1,081,743	(672,567)	-	-	409,176
Other income	-	122,439	(122,439)	-	-	-
Assets on conversion	30,088	-	-	(30,088)	-	-
Pension reserve	(2,132,000)	-	(442,000)	-	(515,000)	(3,089,000)
	<u>(1,675,652)</u>	<u>6,646,451</u>	<u>(6,739,275)</u>	<u>1,341</u>	<u>(515,000)</u>	<u>(2,282,135)</u>
Restricted fixed asset funds						
Devolved formula capital	95,177	67,633	-	(162,810)	-	-
Fixed asset fund	7,798,775	-	(381,529)	177,220	-	7,594,466
Capital maintenance fund	15,751	-	-	(15,751)	-	-
	<u>7,909,703</u>	<u>67,633</u>	<u>(381,529)</u>	<u>(1,341)</u>	<u>-</u>	<u>7,594,466</u>
Total Restricted funds	<u>6,234,051</u>	<u>6,714,084</u>	<u>(7,120,804)</u>	<u>-</u>	<u>(515,000)</u>	<u>5,312,331</u>
Total funds	<u>6,556,238</u>	<u>6,803,928</u>	<u>(7,191,274)</u>	<u>-</u>	<u>(515,000)</u>	<u>5,653,892</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

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

All general funds are held for the purposes of education in line with the Academy's objectives.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education & Skills Funding Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

Other government grants and DfE/ESFA grants represent grants from the respective bodies.

The pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The transfers between the restricted funds and the restricted fixed asset funds represents amounts capitalised during the period.

The restricted fixed assets fund has been set up to recognise the tangible assets transferred to the Academy on conversion and purchased by the Academy following conversion.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£	£
Marish Primary School	808,134	515,921
Willow Primary School	340,292	262,614
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,148,426	778,535
Restricted fixed asset fund	7,594,466	7,909,703
Pension reserve	(3,089,000)	(2,132,000)
	<hr/>	<hr/>
Total	5,653,892	6,556,238
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

Total cost analysis by academy

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 2019 £
Marish Primary School	2,814,469	1,056,461	304,734	438,328	4,613,992
Willow Primary School	1,566,185	290,841	116,248	222,479	2,195,753
Academy Trust	4,380,654	1,347,302	420,982	660,807	6,809,745

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds					
Unrestricted funds	248,555	90,675	(17,043)	-	322,187
Restricted general funds					
General Annual Grant (GAG)	-	5,021,851	(4,595,591)	-	426,260
Pupil premium	-	373,361	(373,361)	-	-
Other DfE/ESFA grants	-	152,301	(152,301)	-	-
Local authority income	-	949,702	(949,702)	-	-
Trips and other activities	-	15,707	(15,707)	-	-
Other income	-	93,159	(93,159)	-	-
Assets on conversion	30,088	-	-	-	30,088
Pension reserve	(2,178,000)	-	(470,000)	516,000	(2,132,000)
	<u>(2,147,912)</u>	<u>6,606,081</u>	<u>(6,649,821)</u>	<u>516,000</u>	<u>(1,675,652)</u>
Restricted fixed asset funds					
Devolved formula capital	73,139	22,038	-	-	95,177
Fixed asset fund	8,177,148	-	(378,373)	-	7,798,775
Capital maintenance fund	-	15,751	-	-	15,751
	<u>8,250,287</u>	<u>37,789</u>	<u>(378,373)</u>	<u>-</u>	<u>7,909,703</u>
Total Restricted funds	<u>6,102,375</u>	<u>6,643,870</u>	<u>(7,028,194)</u>	<u>516,000</u>	<u>6,234,051</u>
Total funds	<u><u>6,350,930</u></u>	<u><u>6,734,545</u></u>	<u><u>(7,045,237)</u></u>	<u><u>516,000</u></u>	<u><u>6,556,238</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	7,594,466	7,594,466
Current assets	341,561	1,223,914	-	1,565,475
Creditors due within one year	-	(410,549)	-	(410,549)
Creditors due in more than one year	-	(6,500)	-	(6,500)
Provisions for liabilities and charges	-	(3,089,000)	-	(3,089,000)
Total	341,561	(2,282,135)	7,594,466	5,653,892

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,798,775	7,798,775
Current assets	322,187	743,256	110,928	1,176,371
Creditors due within one year	-	(278,908)	-	(278,908)
Creditors due in more than one year	-	(8,000)	-	(8,000)
Provisions for liabilities and charges	-	(2,132,000)	-	(2,132,000)
Total	322,187	(1,675,652)	7,909,703	6,556,238

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. Reconciliation of net expenditure to net cash flow from operating activities

	2019	2018
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(387,346)	(310,692)
Adjustments for:		
Depreciation	381,529	378,373
Capital grants from DfE and other capital income	(67,633)	(37,789)
Defined benefit pension scheme finance cost	442,000	470,000
(Increase)/decrease in debtors	(27,472)	24,952
Increase/(decrease) in creditors	131,140	(181,025)
Dividends, interest and rents from investments	(760)	(503)
Net cash provided by operating activities	471,458	343,316

22. Cash flows from financing activities

	2019	2018
	£	£
Repayments of borrowing	(1,000)	-
Net cash (used in)/provided by financing activities	(1,000)	-

23. Cash flows from investing activities

	2019	2018
	£	£
Dividends, interest and rents from investments	760	503
Purchase of tangible fixed assets	(177,220)	-
Capital grants from DfE Group	67,633	37,789
Net cash (used in)/provided by investing activities	(108,827)	38,292

24. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	1,432,613	1,070,982

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

25. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

Contributions amounting to £80,705 were payable to the schemes at 31 August 2019 (2018 - £68,447) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

25. Pension commitments (continued)

Valuation of Teachers Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £267,047 (2018 - £258,325).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £447,000 (2018 - £409,000), of which employer's contributions totalled £340,000 (2018 - £307,000) and employees' contributions totalled £ 107,000 (2018 - £102,000). The agreed contribution rates for future years are 19.6 per cent for employers and between 5.5 per cent 12.5 per cent 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.70%	3.80%
Rate of increase for pensions in payment/inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.85%	2.65%
Inflation assumption (CPI)	2.20%	2.30%
Inflation assumption (RPI)	3.20%	3.30%

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.1	23.1
Females	24.0	25.2
<i>Retiring in 20 years</i>		
Males	23.7	25.3
Females	25.8	27.5

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	5,538	4,087
Discount rate -0.1%	5,806	4,283
Mortality assumption - 1 year increase	5,867	4,326
Mortality assumption - 1 year decrease	5,480	4,047
CPI rate +0.1%	5,795	4,276
CPI rate -0.1%	5,548	4,095

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

25. Pension commitments (continued)

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	1,436,000	961,000
Other bonds	375,000	308,000
Property	326,000	281,000
Cash and other liquid assets	203,000	304,000
Alternative assets	241,000	198,000
Total market value of assets	2,581,000	2,052,000

The actual return on scheme assets was £140,000 (2018 - £77,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019	2018
	£	£
Current service cost	(665,000)	(723,000)
Past service cost	(63,000)	-
Interest cost	(52,000)	(52,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Statement of Financial Activities	(782,000)	(777,000)

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

	2019	2018
	£	£
Opening defined benefit obligation	4,184,000	3,789,000
Current service cost	665,000	723,000
Interest cost	112,000	99,000
Employee contributions	107,000	102,000
Actuarial losses/(gains)	595,000	(486,000)
Benefits paid	(56,000)	(43,000)
Past service costs	63,000	-
Closing defined benefit obligation	5,670,000	4,184,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	89,788	67,802
Later than 1 year and not later than 5 years	10,716	47,611
	<u>100,504</u>	<u>115,413</u>

27. 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.

28. Related Party Transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

E Denham and H Henley (daughters of G Denham, trustee) were paid under contracts of employment in 2019 and 2018.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 13.