



**MERCHANT TAYLORS'
OXFORDSHIRE
ACADEMY TRUST**

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual Report and Financial Statements

For the year ended 31 August 2017

Company registration number: 07727786 (England and Wales)

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2017

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Reference and Administration Details

Members

H Carter (resigned 31 August 2017)
I Domville
K McCrea
J Pebworth
T Titchener (resigned 1 September 2017)
The Merchant Taylors Company (from 1 September 2017)
The Oxford Diocesan Board of Education (from 1 September 2017)

Trustees

H Carter
I Domville (Chairman)
K McCrea
J Pebworth (resigned 6 September 2017)
G Stewart
T Titchener (resigned 6 September 2017)
A Wilcox (appointed 1 September 2017)
N Willis (Head and Accounting Officer)

Company Secretary

L Harrison

Senior Management Team

Head Teacher, Wallingford School & Trust CEO	N Willis
Head Teacher, Brightwell School	F Lewis
Deputy Head	S Leeds (retired 31 August 2017)
Deputy Head	R Miller
Deputy Head	K Vowles
Assistant Head	R Griffiths
Assistant Head	N Lamb
Assistant Head	T Lee (appointed 1 September 2017)
Assistant Head	J Keeling (appointed 1 September 2017)
Trust Business Manager	L Harrison
Trust Chief Financial Officer	C Fishwick (appointed 4 October 2016)

Principal and Registered Office

Wallingford School
St George's Road
WALLINGFORD
Oxfordshire
OX10 8HH

Company Registration Number

7727786 (England and Wales)

Independent Auditor

Critchleys Audit LLP
Beaver House,
23 - 38 Hythe Bridge Street,
Oxford,
OX1 2EP

Bankers

Lloyds Bank PLC
4 Market Place
WALLINGFORD
Oxfordshire
OX10 0EH

Solicitors

Blake Morgan
Seacourt Tower
West Way
OXFORD
OX2 0FB

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Trustees' Report

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. This is the company's sixth year of operation; the company commenced activity on 1 September 2011 following conversion of Wallingford School to academy status on that date.

During the year the trust operated an academy for pupils aged 11 to 18, serving the catchment area of Wallingford and its surrounding villages, in Oxfordshire. It had a roll of 1,223 in the school census on 5 October 2017.

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 Trust is a Multi Academy Trust. During the year ended 31 August 2017 there was just one school in the Trust and the Trustees were drawn from the local governing body of Wallingford School. The Trustees are also the directors of the Charitable Company for the purposes of company law.

The Charitable Company was known as Wallingford Schools' Academy and Wallingford School on an operational daily basis.

On 10 July 2017 the company changed its name to The Merchant Taylors' Oxfordshire Academy Trust Ltd.

During the year the Trustees decided to accept a second school into the Trust. Brightwell-cum-Sotwell CE Primary School joined the trust on its conversion to academy status on 1 September 2017. This required amendments to the Memorandum and Articles of Association effective on the same date to restructure the composition to of the Membership and Board of Trustees to include stakeholders of Brightwell School.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 2.

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

During the year the Company had insurance cover with the Department for Education's Risk Protection Arrangement (RPA) for Governors Liability Expense, with a limited indemnity of £10 million each and every loss and per year.

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Principal Activities

The Charitable Company's object is specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the Academies") offering a broad and balanced curriculum; and which shall include:
 - (i) Academies other than those designated Church of England, whether with or without a designated religious character; and
 - (ii) Church of England academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Board of Education, but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.
- to promote for the benefit of the inhabitants of Wallingford and the surrounding area the provision of facilities for the recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Method of Recruitment and Appointment of Trustees and Governors

During the year the Trustees were drawn from the Governing Body of Wallingford School.

The Board of Trustees comprised:

- The Chair of the Governing Body,
- The Headteacher,
- A minimum of two Parent Governors, elected by the Parent Governors, and
- Further Governors elected by the Trustees, to ensure the Board of Trustees had the necessary skills and experience properly to fulfill its role and responsibilities.

The Governing Body of Wallingford School consisted of:

- Seven Parent Governors, elected by the parents
- Four Staff Governors, comprising the Headteacher and three Governors elected by the staff, of which at least one is a member of the teaching staff unless no teaching staff are willing to be a Governor, and at least one is a member of the associate staff unless no associate staff are willing to be a Governor.
- Nine Community Governors, appointed by the governing body.
- One Sponsor Governor. The Merchant Taylors' Company has the right to appoint a Member to the The Merchant Taylors' Oxfordshire Academy Trust Ltd and this person was then appointed as a Governor of Wallingford School.

The total number of Governors is 21. Parent and Staff Governors are recruited by advertising the posts amongst the respective constituencies as they fall due, following Oxfordshire County Council's recommended procedure. The Community Governors are identified by the Governing Body, with a view to ensuring that the overall Body possesses the variety of skills and experience needed to best govern the School.

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Policies and Procedures Adopted for the Induction and Training of Governors

The Company uses the Oxfordshire Local Authority Governor Services provision. The service provides a wide range of training provision from induction through to more detailed work tailored to allow Governors to fulfill their roles within specific Committees. All Governors are strongly encouraged to attend training on an ongoing basis to ensure that they are both confident in carrying out their duties and to provide continuity as Governor turnover takes place.

Organisational Structure

Responsibilities

The Academy Trust has responsibility for each school within the Trust. During the year, with there being only one school, one Governing Body (GB) had responsibility for the school, delegating its responsibilities to three Committees and reviewing recommendations from each of the sub Committees; Performance, Teaching & Learning, Wellbeing and Resources, either adopting, or not those recommendations. Whilst the Trust remained as a single school the Academy Trust needed only to formally sanction undertakings, as all Members and Trustees were also members of the Governing Body.

The Performance, Teaching & Learning Committee facilitates oversight of teaching and learning by becoming informed on key issues so that aspects of the School's work in this fundamental area can be recognised and supported by Governors. The Committee monitors performance by becoming informed on key issues of the School's work. The Committee monitors performance, reports back on key performance issues / indicators to the full governing body and provides input into the development of strategic targets and measurements. Activities include:

- Developing and monitoring the School Improvement Plan (SIP) in collaboration with the full GB and the other standing Committees
- Holding the Senior Management Team (SMT) accountable for school performance
- Developing, understanding and reporting on key performance outcomes
- Governor performance and self-evaluation

The Wellbeing Committee facilitates the wellbeing of the school, focusing on:

- Pastoral Issues
- Gifted
- Special Needs
- Student Voice
- Inclusion and Diversity
- Community links, including lettings

The Resources Committee is responsible for overseeing the school's finances, staffing, premises and facilities on behalf of the Governing Body (GB) as a whole. Making recommendations to the Governing Body on the following:

- Financial
- Staffing
- Health & safety
- Premises

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The Committees have delegated the management of these responsibilities to the Headteacher and Senior Leadership Team on an operational day to day basis, as specified in the Committees' terms of reference and the internal procedures manual for financial controls. For financially related areas the Headteacher is responsible for ensuring that budget plans are drawn up that reflect the educational priorities for the school, as set out in the Development Plan. The Headteacher oversees the preparation of an annual budget plan and obtains the approval of the Resources Committee, Governing Body and Academy Trust, ensuring the prompt and accurate recording of all financial transactions, liaising with external agencies, monitoring all income and expenditure and working within financial limits agreed by the Governing Body and Academy Trust. The Headteacher has been appointed as Accounting Officer by the Academy Trust and the Business Manager is the Company Secretary.

Restructure in September 2017

On the acceptance of Brightwell School into the Trust on 1 September 2017 a restructure of the Membership and Board of Trustees was required.

There will be between four and five Members, to include:

- The Merchant Taylors' Company
- The Oxford Diocesan Board of Education

From September 2017 the Board of Trustees will comprise:

- Up to eight Trustees appointed by the Members
- Up to three Trustees appointed from the Chairs of the local governing bodies of member academies
- A nominee of the Merchant Taylors' Company
- At least one and up to four Trustees nominated by the Oxford Diocesan Board of Education, not to exceed 25% of the Board membership
- Between two and three Parent Trustees in circumstances where local governing bodies have not made provision for parent governors.
- The Chief Executive Officer, with his/her agreement

The Trustees will have a Finance & Audit Committee, comprising a sub-group of the Trustees, the chairs of the Resources Committees of the local governing bodies, the Chief Financial Officer (ex officio) and Company Secretary (ex officio).

The local governing body of Wallingford School has retained its existing structures.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for all staff in the Trust is set in accordance with the Trust's Pay Policy and in line with national frameworks and pay scales for teaching and local government staff.

Pay decisions are made by the Governing Body, which has delegated certain responsibilities to the Resources Committee. The Committee is responsible for the establishment and review of the pay policy, subject to the approval of the Governing Body, and has full authority to recommend pay decisions on behalf of the Governing Body in accordance with the pay policy. The head teacher is responsible for making individual pay decisions, within the confines of national agreements. The Resources Committee has responsibility for any decision to pay staff beyond the maximum of any national pay range. The head teacher advises the Resources Committee on its decisions if payment beyond the maximum of any pay range is being considered. The head teacher's pay is set by the Governing Body, within

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the framework set by national agreements and the School Teachers' Pay and Conditions Document issued by the Department for Education.

Connected Organisations, including Related Party Relationships

Wallingford School Foundation is a registered charity that exists to provide or assist in the provision of facilities not normally provided by government funding at Wallingford School and for any charitable purpose relating to Wallingford School or its students. The Foundation has four trustees, of which two were Members and Trustees of The Merchant Taylors' Oxfordshire Academy Trust Ltd and one was a Governor of the school in the year.

Walter Bigg Foundation for Wallingford School is a registered charity that manages the assets of the former Wallingford Grammar School, founded in 1659 with a bequest by Walter Bigg. The charity makes grants from its net income towards providing items, services and facilities for Wallingford School and for young people resident in Wallingford, with a preference for past and present students attending Wallingford School. The Foundation has five trustees, of whom one was a Member and Trustee of The Merchant Taylors' Oxfordshire Academy Trust Ltd and two were Governors of the school in the year.

The School is grateful for the commitment and support of these charities for its work.

The Merchant Taylors' Oxfordshire Academy Trust Ltd undertook joint working with Brightwell-cum-Sotwell CE Primary School, a Local Authority primary school in Wallingford School's catchment area. There is also partnership working with eight neighbouring town and village schools, including the shared provision of home-school link workers and for sporting events that the Academy organises. The Academy has made available specialist teaching areas to the partnership schools during training days this year.

Objectives and Activities

Objects and Aims

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools that offer a broad and balanced curriculum; and to promote for the benefit of the inhabitants of Wallingford and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

In developing the school and Trust strategy the Trustees are guided by a number of core principles:

- That our schools must be truly comprehensive in order to serve the needs of the whole of the local community.
- That the schools will strive for excellence in both delivering an outstanding education to the students and in the underlying operations that enable that education.
- That the schools will act in an ethical way in all that they do.

The Trust aims to provide the schools of choice in their catchment areas, meeting the academic and vocational aspirations of all our young people by providing optimal progression pathways, improving the qualification and skills performance of vulnerable groups and developing the life skills of our learners. In order to deliver this, we strive for excellence in our

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teaching and learning and in all aspects of our operations. Teaching at the Academy Trust is continuing to improve with a very clear focus by school leaders on raising its quality, with careful monitoring by leaders and supported by a training programme, which is tailored to the needs of individual teachers.

The Academy Trust provides a curriculum and enters students for courses that meet their needs, without reference to the drivers of league table success. Similarly, we strongly believe that allowing students to enter English and Maths exams in November of Year 11 provides them with the best possible chance of success and we have continued with this policy despite recent changes in league table measurement that recognize only the 'first entry' result for each student.

The Academy Trust has developed a thorough and robust tracking system; identifying levels of attainment, ensuring students are clear on what is required to reach their potential and putting the support in place to assist them in reaching it. This is underpinned by good teaching, with variety and challenging work being set across the curriculum.

The Trust wants to send its students out into the world able and qualified to play a full part and recognizes that academic achievements are not the only qualities required. We work hard to provide opportunities for students to grow and develop in character and experience beyond the classroom. This year, this has included:

- Supporting School Officer and Sixth Form initiatives on mental health, intended to make sure every student in school knows what help is available to them, both in school and elsewhere, and how to access it; we have also worked on raising staff awareness of how to recognise and assist with possible mental health issues in students and colleagues. These activities have been generously supported by donations from parents and Wallingford Town Council.
- The PiXL Edge framework, which develops and accredits students with personal attributes essential for employability and life, including leadership, resilience, organisation and communication;
- Year 7 hosting a group of Chinese student visitors;
- Organizing a team of 6th formers to attend a Model United Nations of students from across Europe, held at the International School of Lyon;
- Our annual Year 9 residential to outdoor centres Kilvrough, Yenworthy and Woodlands, when students try out activities including caving, kayaking, surfing and climbing. We strongly encourage all Year 9 students to attend; financial assistance is provided by Pupil Premium and the Walter Bigg Trust where needed.
- School productions and concerts including "Hairspray", a Spring Concert and Spring Dance Show.
- Encouraging students to enter the annual Merchant Taylors' Company Schools Photography Competition. This year a Year 11 student of Wallingford School won her category.
- Community programme: students undertake projects in the community to develop a sense of service and the contribution they can make as well as building self-confidence and self-esteem.

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Public Benefit

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission.

The Governing Body supports and challenges the Academy Trust leadership in continuing to improve the academic and moral wellbeing of all students. The Academy Trust is highly inclusive and encourages students to value individual differences, preparing them for life outside of school.

Achievements and Performance

The Academy Trust provides a good and improving standard of education to its students. Students joining the Academy broadly have an attainment in line with national averages and achieve exam results above the national average, testament to a clear focus on improving the quality of teaching and raising students' achievements throughout the Academy Trust.

Exam results over the past few years at Wallingford School have been excellent and, in the last four years have become truly exceptional. In terms of raw academic outcomes, we are now consistently one of the highest performing schools in Oxfordshire. Perhaps more importantly, in many of the key headline measures, the progress made by students in our school puts us comfortably within the top 5-10% of schools in the whole country in terms of the value we add.

One of the things that we are most proud of is the performance of disadvantaged children. We have worked especially hard over the last couple of years to improve outcomes for this group of young people and we are delighted to be able to say that students eligible for the Pupil Premium at Wallingford continue to make excellent progress, often more than other Non-Pupil Premium students do nationally.

The public examinations that took place in the summer of 2017 produced the following results:

Examination	% of Students 2014	% of Students 2015	% of Students 2016	% of Students 2017
GCSE's				
A* - C	79%	84%	79%	n/a
A2				
A* - B	55%	51%	54%	62%

This was the first year of the transition to the reformed GCSEs and the new '1-9' grades. Although there are some basic comparisons to be drawn between the new set of headline figures and past performance, the nature of the reforms makes it difficult to compare like for like.

Last year the government introduced two new performance measures at GCSE: 'Attainment 8' and 'Progress 8'. These show how well students do, compared to the national average, across a range of eight qualifying subjects. Our Progress 8 score of 0.37, shows that, on average, students achieve over a third of a grade higher in every one of their subjects compared to what they would achieve in an 'average' school.

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Measure	2017	2016
Attainment 8	51	57
Progress 8	0.36	0.34

Our performance in English and Maths has been particularly strong in recent years. This year was no exception, with students making excellent progress across the attainment range. We are particularly proud of the number of students who secured at least the new 'Strong Pass' (Grade 5) in English (70%) and Maths (65%).

At 'A' level, 62% of all exams sat resulted in A*-B, the best our students have ever achieved; overall the School was again well above average nationally for A level results.

We recognise the importance of Vocational courses for our students and the challenges that new BTEC courses from September 2016 will bring – we have a *KS5 Vocational Strategy* in place. For Vocational qualifications, 6th form student numbers have increased significantly since 2013 and in 2016-17, %D*-D was 57%.

Our strong focus on developing and maintaining teaching skills was reflected in our delivery of lessons, of which 94% were judged at least Good and, of these, 58% were Outstanding.

Wallingford School was inspected by OFSTED in March 2017. The School was graded overall as Good. Its Teaching, learning and assessment and Effectiveness of leadership and management were both judged Outstanding. We are particularly pleased that the inspectors recognised the following qualities of our School:

- “Leaders are driven by their clear sense of moral purpose. They strive to provide an environment that enables all pupils to flourish and feel valued and safe. Everyone working in the school is deeply committed to this ethos.
- Leaders understand the strengths of the school extremely well, and know which aspects could be even better. They take very effective action to address relative weaknesses, which leads to constant improvement.
- Pupils learn very well because teaching meets their needs closely. Teachers use their knowledge and skills highly effectively to structure learning that enables pupils to make increasingly good progress over time.
- Pupils achieve very well by the end of Year 11 across a broad range of subjects. The majority of pupils make very good progress across their subjects over the course of their five years at the school.
- Pupils' personal development and welfare are the absolute focus of everyone in the school. As a result, pupils feel safe and develop the skills and confidence they will need to reach their increasingly high aspirations
- The 16 to 19 study programme provides effectively for students via a broad range of academic and applied qualifications. Subsequently, students are prepared very well for their next steps.”

As we said on our website when the new OFSTED report was published, in the Trustees' view, “Good is definitely the perfect fit for us”. The Trustees and Governors have always been determined to do the best by our students, which includes ensuring they leave school with the best qualifications they can. This often means deviating from approaches promoted by league table measures:

- League tables were changed last year to recognise only the result of a first attempt at a GCSE; the School continued to enter students for GCSEs early to give some a second chance. This has proved particularly successful for students categorised as disadvantaged.

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- The EBacc measure encourages schools to require every student to do a humanities subject and a modern language, whatever their abilities or interests. We allow families to choose what subjects each student should follow. Our able academics could choose to do dance, drama and music if that was their chosen route in life, while someone else might want to do PE, DT and ICT. We avoid having students who are not cut out for languages struggling through to a low GCSE grade, with no hope of ever really speaking French or German, when they could be thriving in a technical course or sport.

No student is studying options because they make the school look good and each course is delivered and assessed in the way that ensures the best results for them and not the school.

We do not permanently exclude vulnerable youngsters unless we really have to. We work in our Reflex unit with students who struggle with school. We try not to fine families for term-time absence if it seems counter-productive or a struggling family is working with us to improve attendance. These tend to be disadvantaged students.

This puts us at odds with the new OFSTED Framework and means that using its measurements of performance we are Good, rather than Outstanding.

Our academic achievements together with the School's truly comprehensive approach to education help to ensure that Wallingford School is the school of choice for young people within and beyond its catchment area. The School has increased its intake when necessary to enable young people within the catchment area to attend the school. The pupil numbers on role at the Academy Trust during the academic years 2015/16, 2016/17 and 2017/18 are as follows:

Pupil Numbers	Nov-15	Nov-16	Nov-17
Year 7	192	197	209
Year 8	198	190	194
Year 9	188	202	189
Year 10	189	190	192
Year 11	188	190	188
Year 12	116	137	138
Year 13	96	99	113
Total	1,167	1,205	1,223

The Trustees and Governors commend the students and staff of the school for their continuing hard work and commitment to excellence not only in their academic work but in all areas of school life. These results are generated from a school ethos based in mutual respect and care for each student and staff member that challenges and enables everyone involved in the school to be the best they can be.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Trustees 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.

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Key Financial Performance Indicators

The primary financial performance indicator is the funding received in respect of pupil led funding from the ESFA. The pupils on role at the schools are coming from the town and surrounding villages and therefore any change in the population of these will have a direct impact on the Academy Trust. The Academy Trust has a very clear focus on maintaining and improving the standards of teaching and learning of students, with the outcomes of pupil attainment at public examination being a performance target throughout the teaching staff. The local communities' view and support of the Academy Trust has continued to grow, with it attracting 18 more students in the current academic year than last.

Financial Review

The Academy Trust's principal source of funds is the General Annual Grant ("GAG") received from the Education and Skills Funding Agency, which amounted to £5.5m for the year (2016: £5.5m).

The total fund balances of the Academy Trust at 31 August 2017, as detailed in note 18 to the financial statements, amounted to £8,263k (2016: £8,519k). Excluding the fixed asset fund (representing the net book value of fixed assets) of £10,672k and the pension deficit fund of £2,953k, fund balances amounted to £544k and are summarised as follows:

	£'000
GAG funds	-
School Sports Partnership funds	32
Other restricted income funds	34
Capital funds	76
General unrestricted funds	402
	<hr/>
	544
	<hr/>

The Trust incurred net expenditure in the year on its combined unrestricted and restricted general funds of £203k. When the impact of pension accounting entries is removed, of £274k, the surplus arising from day-to-day operations amounted to £71k. This was a planned and managed annual surplus following the annual deficit made in 2016 of £102k, managed within the parameters set by the Trustees' reserves policy.

All of the Trust's expenditure for the year was spent directly or indirectly to advance the objectives of the Trust through the running of Wallingford School and preparations for the entrance of Brightwell School into the Trust.

The Local Government Pension Scheme deficit has increased during the past year. The market value of the fund investments increased over the year by £613k whilst the present value of the funded obligation increased by £624k. The liability is assigned to the Trust's restricted general funds. The Trust relies on Parliament's guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities will be met by the Department for Education. The guarantee came into force on 18 July 2013.

Financial and Risk Management Objectives and Policies

The Academy Trust has an Internal Financial Procedures Manual, which is reviewed annually, to minimise exposure to financial risk. There has also been a regular review, by an external Responsible Officer, who undertakes quarterly internal audit checks at the Academy Trust, with recommendations being sent directly to the Chair of Trustees.

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Principal Risks and Uncertainties

The risks to the Academy Trust's financial viability are as follows:

- Retention of pupils
- Public examination results
- Ofsted judgment/grading of the schools
- Local Housing developments

The management of risks is considered regularly, with leaders' performance management targets being directly linked to them.

Brightwell School joined the Trust on 1 September 2017 with limited reserves and an annual operating deficit. The Trust is working with the local governors and new Head Teacher to improve educational outcomes, attract increased numbers of pupils to the school and make it financially sustainable.

Reserves Policy

The Trustees adopted a policy on reserves in October 2015. The Trustees set a level of reserves intended to balance the need to secure and maintain the Academy Trust's solvency and future activities with the need to maximise the benefits provided to current students. The student numbers at Wallingford School have increased year on year and this pattern is expected to continue. Brightwell School numbers are expected to increase. Step increases in numbers are anticipated over the next five years as planned housing developments within the catchment area are built and occupied. The Trustees have set a reserves level intended to ensure that the Academy Trust operates within the funding that has been made available and has sufficient balances to cover the time lag between increased student numbers and receipt of the related GAG funding.

Investment Policy

The Trustees adopted an investment policy in February 2014. Over time, the Trustees aim to spend the School's resources for the direct educational benefit of its students. Cash balances not required for this purpose in the short term are placed on cash deposit in order to maximize income available for the school's educational activities.

Where practicable the reserve is deposited in tranches of up to £85,000, for periods of 1, 3, 6 and 12 months. Consideration is given to depositing each £85,000 tranche in a different authorised financial institution. Deposits are made only with financial institutions covered by the Financial Services Compensation Scheme.

Plans for Future Years

The Trust will continue to welcome all students from its schools' catchment areas and deliver an education that prepares each of them to play a fulfilling role in society. The schools plan to continue working to improve the standard of teaching and learning for all of their students, whatever their strengths and needs.

At the time of reporting, the Trust has agreed with Oxfordshire County Council to provide the additional secondary school places that will be required in Wallingford and the surrounding area in the next five years, as a result of planned housing developments. Wallingford School will be expanding, with up to 300 additional places between 2018 and 2022. This will require a new building on the current site. The Trustees and governors are working to ensure that the expansion takes place by means that maintain and extend the excellent standard of education currently on offer by the School with no negative impact on the Trust's finances.

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The Trust was pleased to welcome Brightwell School into the Trust on 1 September 2017. The Trustees consider this move to be in the interests of all parties. The students of Brightwell School are, in the main, future students of Wallingford School. Both schools expect to benefit from the exchange of experience and knowledge of their respective areas of expertise. The processes of conversion and acquisition, together with the staff conference that took place in October 2017 sponsored by the Walter Bigg Foundation for Wallingford School, has already got this process off to a good start.

Funds Held as Custodian on Behalf of Others

The trust holds no assets and funds as Custodian Trustee on behalf of others.

Auditor

The Merchant Taylors' Oxfordshire Academy Trust Ltd appointed Critchleys LLP to act as auditors on 6 August 2012.

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 Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2017 and signed on the Board's behalf by:



Ian Domville
Chair of Trustees

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Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Merchant Taylors' Oxfordshire Academy Trust Ltd 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 objectives, and can only reasonably and not absolutely assure against material misstatement or loss.

The Trustees delegated the day-to-day responsibility to the Headteacher, 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 The Merchant Taylors' Oxfordshire Academy Trust Ltd and the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weakness or breakdowns in internal control.

Governance

The information on governance includes here supplements that describe in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body, incorporating the Board of Trustees, has formally met 4 times during the year. Attendance of Governors in post during the year at meetings of the governing body was as follows:

Trustee & Governor	Meetings attended	Out of a possible
H Carter *	4	4
I Domville (Chair of Trustees) (Chair of Governors to 4 October 2017) *	4	4
K McCrea * (appointed Chair of Governors, 4 October 2017)	4	4
J Pebworth * (resigned as Trustee, remained Governor, 6 September 2017)	4	4
G Stewart * (resigned as Governor, remained Trustee, 31 August 2017)	3	4
T Titchener (resigned as Trustee, remained Governor, 6 September 2017)	3	4
N Willis *	4	4
Governor		
V Bennett	4	4
S Cleaver (Staff Governor)	4	4
A Criddle (resigned 7 April 2017)	1	3
S Dow (Staff Governor)	3	4
C Eales	3	4
P Eccleston	4	4
A Loftus-Hills (appointed 29 November 2016)	3	3
E Mason	2	4
J Peel	2	4
B Ryan * (Staff Governor) (appointed 10 November 2016)	1	3
A Sanders (resigned 31 August 2017)	4	4
S Slade	3	4
T Vallings (appointed 23 June 2017)	0	0
R Weedon *	4	4

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2017

The Resources Committee is a sub-Committee of the main Governing Body. Its purpose is to establish and maintain a financially sound and sustainable Academy Trust whilst at the same time increasing the opportunities and outcomes of the Academy Trust's students. The Chair, Jon Pebworth is a qualified accountant and retired CEO. Hugh Carter is the representative of the Walter Bigg Foundation for Wallingford School.

Attendance at meetings in the year was as follows:

Trustee & Governor	Meetings attended	Out of a possible
H Carter	4	5
I Domville	4	5
K McCrea	5	5
J Pebworth (Chair)	5	5
N Willis	5	5
Governor		
S Cleaver (Staff Governor)	4	5
P Eccleston	5	5
B Ryan (Staff Governor)	3	4
G Stewart	4	5
R Weedon	3	5

The Governors conduct regular reviews of their effectiveness and balance of skills and experience needed as the business of the Trust develops. Where gaps are identified, they undergo training or seek to recruit governors with the needed skills and experience.

Review of Value for Money

As accounting officer the Head Teacher 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 available. The accounting officer for the Academy trust has delivered improved value for money during the year by:

Monitoring & measuring individual student performance:

Continuous data analysis and benchmarking of individual pupil predictions and attainment is used to generate targeted interventions to ensure each student makes the best possible progress from KS3 through to post-16. The progress of disadvantaged students and progress in English and Mathematics are ahead of the national average.

Inclusion unit:

The Trust remains committed to its ReFlex unit, that works with students who struggle with the discipline of the normal classroom environment and sometimes present challenging behaviour. The unit enables them to stay in school and achieve an appropriate suite of

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2017

qualifications whilst maintaining the high standard of behaviour across the school that facilitates its high standards of teaching and learning.

Supply teachers and cover:

The School reviewed its use of supply teachers, as costs had grown over recent years whilst the leadership team had concerns about the value obtained from teachers brought in at short notice for very short periods of time. Two additional cover supervisor posts were created using part of the supply budget. The increased use of cover supervisors has enabled greater consistency and continuity of cover for staff absences, including better planning and communication and improved student experience. Savings have been made on the total supply budget.

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 realized and the impact should they be realized, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wallingford Schools Academy for the period 1 September 2016 to 31 August 2017 and up to date approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body 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 Governing Body 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 2016 to 31 August 2017 and up to the date of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports that are reviewed and agreed by the governing body;
- Regular reviews by the Resources Committee of reports that indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase and capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management risks.

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2017

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Hampshire County Council's Educational Financial Services team to provide internal audit services. This includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

During the year four visits have taken place. the checks carried out in the current period included:

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

On a quarterly basis, the Governing Body receives reports on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities, via the Chair of Governors and Trustees.

The ratings of the visits remain acceptable. Recommendations made within the reports are reviewed and procedures updated where practical to do so.

Review of Effectiveness

As accounting officer, the Headteacher has responsibility for the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the internal audit service;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 11 December 2017 and signed on its behalf by:



Ian Domville
Chair



Nigel Willis
Accounting Officer

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2017

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Merchant Taylors' Oxfordshire Academy Trust Ltd I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregularity or improper use of funds by the Academy Trust or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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.



Nigel Willis
Accounting Officer

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2017

Statement of Trustees' Responsibilities

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 Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 11 December 2017 and signed on its behalf by:



Ian Domville
Chair

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2017

Independent Auditor's Report to the members of The Merchant Taylors' Oxfordshire Academy Trust Ltd

We have audited the financial statements of The Merchant Taylors' Oxfordshire Academy Trust Ltd ('the charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2016 to 2017 issued by the ESFA.

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2017

Independent Auditor's Report to the members of The Merchant Taylors' Oxfordshire Academy Trust Ltd (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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 20), the trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2017

Independent Auditor's Report to the members of The Merchant Taylors' Oxfordshire Academy Trust Ltd (continued)

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.



Andrew Rodzynski (Senior statutory auditor)
For and on behalf of Critchleys Audit LLP
Statutory Auditor
Oxford

Date:

19/12/17

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2017

Independent Reporting Accountant's Assurance Report on Regularity to The Merchant Taylors' Oxfordshire Academy Trust Ltd and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 18 July 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by The Merchant Taylors' Oxfordshire Academy Trust Ltd during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Merchant Taylors' Oxfordshire Academy Trust Ltd's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Merchant Taylors' Oxfordshire Academy Trust Ltd's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

1. Reviewing of minutes of meetings of the Board of Directors and obtaining representations concerning access to information, disclosure and provision of information
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2017

Independent Reporting Accountant's Assurance Report on Regularity to The Merchant Taylors' Oxfordshire Academy Trust Ltd and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Critchleys LLP
Reporting Accountant
Oxford

Date: 19/12/17

The Merchant Taylors' Oxfordshire Academy Trust Ltd
Statement of Financial Activities
For the year ended 31 August 2017
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
Income and endowments from:									
Donations and capital grants	2	1,322	132,982	24,829	159,133	170	109,464	24,655	134,289
Charitable activities:									
Funding for the Academy Trust's educational operation	5	591,270	5,847,436	-	6,438,706	475,031	5,838,972	-	6,314,003
Other trading activities	3	83,183	-	-	83,183	73,282	-	-	73,282
Investments	4	1,844	-	-	1,844	3,389	-	-	3,389
Total income and endowments		677,619	5,980,418	24,829	6,682,866	551,872	5,948,436	24,655	6,524,963
Expenditure on:									
Raising funds	6	52,092	-	-	52,092	43,695	-	-	43,695
Charitable activities:									
Academy Trust educational operations	6,7	442,957	6,329,575	377,218	7,149,750	376,524	6,318,190	380,676	7,075,390
Total expenditure		495,049	6,329,575	377,218	7,201,842	420,219	6,318,190	380,676	7,119,085
Net income/expenditure		182,570	(349,157)	(352,389)	(518,976)	131,653	(369,754)	(356,021)	(594,122)
Transfers between funds	17	(56,256)	19,368	36,888	-	-	-	-	-
Net income/(expenditure) for the year		126,314	(329,789)	(315,501)	(518,976)	131,653	(369,754)	(356,021)	(594,122)
Other recognised gains and losses									
Actuarial gains/(losses) in year for defined benefit pension schemes	27	-	263,000	-	263,000	-	(1,369,000)	-	(1,369,000)
Net movement in funds		126,314	(66,789)	(315,501)	(255,976)	131,653	(1,738,754)	(356,021)	(1,963,122)
Reconciliation of funds									
Funds brought forward at 1 September 2016		276,032	(2,819,798)	11,063,230	8,519,464	144,379	(1,081,044)	11,419,251	10,482,586
Funds carried forward at 31 August 2017		402,346	(2,886,587)	10,747,729	8,263,488	276,032	(2,819,798)	11,063,230	8,519,464

All of the Academy's activities derive from continuing operations in the current accounting period.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The Merchant Taylors' Oxfordshire Academy Trust Ltd
Balance sheet
As at 31 August 2017

Company number:
07727786

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	11		10,671,604		10,987,565
Current assets					
Stock	12	8,242		12,624	
Debtors	13	247,539		187,076	
Investments	14	305,617		354,144	
Cash at bank and in hand	24	384,542		331,389	
		<u>945,940</u>		<u>885,233</u>	
Creditors: Amounts falling due within one year	15	(401,056)		(401,334)	
Net current assets			<u>544,884</u>		<u>483,899</u>
Total assets less current liabilities			11,216,488		11,471,464
Creditors: Amounts falling due after more than one year	16		-		(10,000)
Net assets excluding pension liability			<u>11,216,488</u>		<u>11,461,464</u>
Pension scheme liability	27		<u>(2,953,000)</u>		<u>(2,942,000)</u>
Net assets including pension liability			<u>8,263,488</u>		<u>8,519,464</u>
Funds of the academy:					
Restricted fixed asset funds	17	10,747,729		11,063,230	
Restricted income fund	17	66,413		122,202	
Pension reserve	17	(2,953,000)		(2,942,000)	
Total restricted funds			7,861,142		8,243,432
Unrestricted funds					
Designated funds	17	48,700		36,700	
General funds	17	353,646		239,332	
Total unrestricted income funds			402,346		276,032
Total funds			<u>8,263,488</u>		<u>8,519,464</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 11 December 2017.

Signed on behalf of the Board of Trustees

Ian Domville
Chair of Trustees

The Merchant Taylors' Oxfordshire Academy Trust Ltd
Statement of Cash Flows
For the year ended 31 August 2017

	Notes	2017 £	2016 £
Cashflows from operating activities			
Net cash provided by / (used in) operating activities	21	39,210	(297,983)
Cashflows from financing activities	22	1,844	3,389
Cashflow from investing activities	23	(36,428)	2,651
Change in cash and cash equivalents in the year		<u>4,626</u>	<u>(291,943)</u>
Cash and cash equivalents at 1 September 2015		685,533	977,476
Cash and cash equivalents at 31 August 2017	24	<u><u>690,159</u></u>	<u><u>685,533</u></u>

All of the cash flows are derived from continuing operations in the current financial period.

1. Statement of Accounting Policies

Basis of Preparation

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 UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Merchant Taylors' Oxfordshire Academy Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

Donations

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

1. Statement of Accounting Policies (continued)

Other income

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

Donated Services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with other relevant staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance Costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and any reimbursed expenses.

All resources expended are inclusive of any irrecoverable VAT.

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The property transferred on conversion has been valued on a depreciated replacement cost basis (see note 11 for further details).

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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:

Leasehold buildings	25-50 years from conversion
Fixtures, fittings and equipment	5 years

1. Statement of Accounting Policies (continued)

Tangible Fixed Assets (continued)

ICT equipment	3 years
Motor vehicles	4 years

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

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

Leased Assets

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

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 basis 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 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 15 and 16. 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.

Stock

Any significant uniform and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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

1. Statement of Accounting Policies (continued)

Pensions Benefits (continued)

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 quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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.

Designated funds are unrestricted resources which have been set aside by the Trustees for a specific future purpose. The designation has an administrative purpose only, and does not legally restrict the Trustees' discretion to apply the fund.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education and other funders where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and other funders.

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.

Pension liability: The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1. Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgement (continued)

Critical areas of judgement

Useful lives of tangible fixed assets: leasehold property: The Trust's leasehold property is stated at cost less accumulated depreciation and any impairment losses. The asset is depreciated over its estimated useful life to their estimated residual values. Both the estimated useful life and the residual value are reviewed at least at each financial year-end. The leasehold property has a remaining life of 120 years, being the time remaining on the lease. The Trustees' on-going objectives and strategies for the Trust assume that Wallingford School will continue to occupy its current site indefinitely and there is no reason to adjust the estimated life of the leasehold asset.

Going concern: In order to assess whether it is appropriate for the Trust to be reported as a going concern, the Trustees apply judgement, having undertaken appropriate enquiries and having considered the business activities and the Trust's principal risks and uncertainties as set out in the Trustees' Report. In arriving at this judgement there are a number of assumptions made, particularly with regard to future revenue. The Trust is dependent upon receiving sufficient funding from the ESFA, in combination with its other limited sources of income, in order to be able to continue delivering its current high standard of comprehensive education. The Trustees have reviewed information provided by the ESFA regarding the National Funding Formula and assumed that sufficient funding will be received from the ESFA.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 30.

The Merchant Taylors' Oxfordshire Academy Trust Ltd
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2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE/ESFA capital grants				
Devolved formula capital grant	-	24,829	24,829	24,655
	-	24,829	24,829	24,655
Other grants and donations	1,322	132,982	134,304	109,634
	1,322	157,811	159,133	134,289

3 Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Community leisure and other lettings	83,183	-	83,183	73,282
	83,183	-	83,183	73,282

4 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Short-term deposit interest	1,484	-	1,484	2,670
Bank interest	360	-	360	719
	1,844	-	1,844	3,389

5 Funding for Academy Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	5,506,627	5,506,627	5,490,403
Other DfE grants	-	199,939	199,939	229,715
	-	5,706,566	5,706,566	5,720,118
Other Government grants				
Local authority grants	-	140,720	140,720	118,854
	-	140,720	140,720	118,854
Other income for educational operations				
Contributions to salaries	-	-	-	7,259
Trips and activities income	280,542	-	280,542	226,321
Uniform sales	46,630	-	46,630	43,564
Catering income	145,165	-	145,165	136,283
Other educational income	118,933	150	119,083	61,604
	591,270	150	591,420	475,031
	591,270	5,847,436	6,438,706	6,314,003

The Merchant Taylors' Oxfordshire Academy Trust Ltd
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6 Expenditure

	Staff Costs £	Premises Costs £	Other Costs £	Total 2017 £	Total 2016 £
Costs of activities for raising funds	36,970	12,467	2,655	52,092	43,695
Academy Trust's educational operations					
Direct costs (note 7)	4,227,019	-	763,548	4,990,567	5,033,906
Allocated support costs (note 7)	816,424	382,663	960,096	2,159,183	2,041,484
	<u>5,043,443</u>	<u>382,663</u>	<u>1,723,644</u>	<u>7,149,750</u>	<u>7,075,390</u>

Income and expenditure for the year include:

	2017 £	2016 £
Operating leases: Plant and equipment	12,676	12,100
Depreciation	377,218	380,243
Gain/loss on disposal of fixed assets	-	433
Fees payable to auditor:		
Governance: Audit	6,850	6,800
Educational operations: Other services	2,420	1,975
	<u>2,420</u>	<u>1,975</u>

7 Charitable Activities - Academy's educational operations

	Total 2017 £	Total 2016 £
Direct costs - educational operations	4,990,567	5,033,906
Support costs - educational operations	2,159,183	2,041,484
	<u>7,149,750</u>	<u>7,075,390</u>

	Total 2017 £	Total 2016 £
Analysis of support costs - educational operations		
Support staff costs	816,424	765,077
Depreciation	377,218	380,243
Technology costs	65,007	67,762
Premises costs	382,663	380,190
Other support costs	506,949	434,886
Governance costs	10,922	13,326
	<u>2,159,183</u>	<u>2,041,484</u>

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8 Staff Costs

	2017	2016
	£	£
Staff costs for the period were:		
Wages and salaries	4,046,561	4,074,195
Social security costs	372,761	322,072
Operating costs of defined benefit pension schemes	652,959	667,246
Apprenticeship Levy	2,233	-
	<u>5,074,514</u>	<u>5,063,513</u>
Agency supply teacher costs	5,899	58,034
	<u>5,080,413</u>	<u>5,121,547</u>

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2017	2016
	No.	No.
Staff Numbers		
Teachers	64	65
Administration and support	54	54
Management	7	9
	<u>125</u>	<u>128</u>

Higher paid staff

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

	2017	2016
	No.	No.
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £508,306 (2016: £550,360).

9 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 Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment.

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

		2017	2016
		£	£
N Willis, Headteacher and Trustee	Remuneratio	£90k-£95k	£90k-£95k
	Employer's pension contributions	£10k-£15k	£10k-£15k

During the year ended 31 August 2017, no expenses were reimbursed to Trustees (2016: £5.90).

Other related party transactions involving Trustees are set out in note 28.

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10 Governors' and Officers' Insurance

The Academy has cover under the Department for Education's Risk Protection Arrangement to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The cover is a limited indemnity of £10 million for each and every loss and per year. The cost for the years ended 31 August 2017 and 31 August 2016 are not separately identified in the annual contribution made to the Arrangement.

The cost of the Arrangement is included in the total insurance cost.

11 Tangible Fixed Assets

	Leasehold Property £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2016	12,631,754	122,395	201,177	48,730	13,004,056
Additions	-	44,882	16,375	-	61,257
Disposals	-	-	-	-	-
At 31 August 2017	<u>12,631,754</u>	<u>167,277</u>	<u>217,552</u>	<u>48,730</u>	<u>13,065,313</u>
Depreciation					
At 1 September 2016	1,690,040	92,692	190,202	43,557	2,016,491
Charges in year	338,008	22,759	11,278	5,173	377,218
Disposals	-	-	-	-	-
At 31 August 2017	<u>2,028,048</u>	<u>115,451</u>	<u>201,480</u>	<u>48,730</u>	<u>2,393,709</u>
Net book values					
At 31 August 2017	<u>10,603,706</u>	<u>51,826</u>	<u>16,072</u>	<u>-</u>	<u>10,671,604</u>
At 1 September 2016	<u>10,941,714</u>	<u>29,703</u>	<u>10,975</u>	<u>5,173</u>	<u>10,987,565</u>

The Academy took out 125 year leases over the property at the date of conversion. Leasehold buildings transferred on conversion were valued by qualified surveyors commissioned by the ESFA. The valuation was carried out on a depreciated replacement cost basis as at 31 August 2012 and the values of assets transferred on conversion were adjusted for depreciation to roll back the opening valuation to 1 September 2011.

12 Stock

	2017 £	2016 £
Uniform stock	<u>8,242</u>	<u>12,624</u>
	<u>8,242</u>	<u>12,624</u>

The Merchant Taylors' Oxfordshire Academy Trust Ltd
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13 Debtors

	2017 £	2016 £
Trade debtors	81,886	31,726
Prepayments and accrued income	128,944	123,466
Other debtors	36,709	31,884
	<u>247,539</u>	<u>187,076</u>

14 Investments

	2017 £	2016 £
Short-term cash deposit	305,617	354,144
	<u>305,617</u>	<u>354,144</u>

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	112,698	82,536
PAYE and NIC creditor	95,335	94,863
Other creditors	87,666	100,065
Accruals and deferred income	105,357	123,870
	<u>401,056</u>	<u>401,334</u>

Deferred income

	2017 £	2016 £
Deferred income at 1 September	18,185	31,282
Resources utilised in year	(18,185)	(31,282)
Resources deferred in the period	57,599	18,185
Deferred income at 31 August	<u>57,599</u>	<u>18,185</u>

Deferred income relates to income received in advance for trips and activities and to the ESFA's refund of National Non-Domestic Rates .

16 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Accruals and deferred income	-	10,000
	<u>-</u>	<u>10,000</u>

The Merchant Taylors' Oxfordshire Academy Trust Ltd
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17 Funds

	Balance at 1 September 2016 £	Incoming Resources £	Resources Expended £	Gains/losses & transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	49,245	5,506,627	(5,585,480)	29,608	0
Pupil Premium funding	-	134,320	(134,320)	-	-
Other DfE funding	-	65,619	(65,619)	-	-
Local Authority funding	-	139,520	(139,520)	-	-
Walter Bigg Trust	13,594	97,030	(97,030)	(10,240)	3,354
Wallingford School Foundation	-	5,475	(5,475)	-	-
Merchant Taylors	2,150	5,000	-	-	7,150
Partnership of schools funds	12,912	-	-	-	12,912
Go4It funds	279	-	-	-	279
Momenta/School Sports Partnership	33,450	25,187	(26,491)	-	32,146
Other restricted funding	740	1,640	(1,640)	-	740
Special purposes restricted balances	9,832	-	-	-	9,832
Pension reserve (note 27)	(2,942,000)	-	(274,000)	263,000	(2,953,000)
	(2,819,798)	5,980,418	(6,329,575)	282,368	(2,886,587)
Restricted fixed asset funds					
Capital funds transferred on conversion	45,684	-	-	-	45,684
Devolved formula capital grant	29,981	24,829	-	(24,369)	30,441
Fixed asset fund (note 11)	10,987,565	-	(377,218)	61,257	10,671,604
	11,063,230	24,829	(377,218)	36,888	10,747,729
Total restricted funds	8,243,432	6,005,247	(6,706,793)	319,256	7,861,142
Unrestricted funds					
Designated fund: Astro turf renewal	36,700	-	-	12,000	48,700
Unrestricted funds	239,332	677,619	(495,049)	(68,256)	353,646
Total unrestricted funds	276,032	677,619	(495,049)	(56,256)	402,346
Total funds	8,519,464	6,682,866	(7,201,842)	263,000	8,263,488

General Annual Grant (GAG): under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Designated fund: Astro turf renewal

The Trustees operate a designated fund to set aside part of the annual unrestricted surplus generated from lettings of the Leisure Centre, for the purpose of renewing the Astro turf pitches, due around 2020.

18 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	10,671,604	10,671,604
Current assets	803,402	66,413	76,125	945,940
Current liabilities	(401,056)	-	-	(401,056)
Creditors due after more than one year	-	-	-	-
Pension Scheme liability	-	(2,953,000)	-	(2,953,000)
Total net assets	402,346	(2,886,587)	10,747,729	8,263,488

19 Capital commitments

	2017 £	2016 £
Contracted for, but not provided in the financial statements	-	-

20 Financial commitments

Operating leases

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

	2017 £	2016 £
Amounts due within one year	12,868	12,100
Amounts due between one and and five years inclusive	960	12,100
Amounts due after five years	-	-
	13,828	24,200

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

	2017 £	2016 £
Net (expenditure) for the year	(518,976)	(594,122)
Depreciation (note 11)	377,218	380,243
Loss on disposal of tangible fixed assets	-	433
Capital grants from DfE	(24,829)	(24,655)
Interest receivable (note 4)	(1,844)	(3,389)
FRS102 pension costs less contributions payable (note 27)	212,000	80,000
FRS102 pension other finance charges (note 27)	62,000	56,000
Decrease/(increase) in stock	4,382	(4,427)
(Increase) in debtors	(60,463)	(75,031)
(Decrease) in creditors	(10,278)	(113,035)
Net cash provided by /(used in) operating activities	39,210	(297,983)

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22 Cashflows from financing activities	2017	2016
	£	£
Interest received	1,844	3,389
Net cash provided by financing activities	1,844	3,389

23 Cashflow from investing activities	2017	2016
	£	£
Purchase of tangible fixed assets	(61,257)	(22,004)
Capital grants from DfE	24,829	24,655
Net cash (used in)/provided by investing activities	(36,428)	2,651

24 Analysis of cash and cash equivalents	At 31 August	At 31 August
	2017	2016
	£	£
Cash at bank and in hand	384,542	331,389
Notice deposits (less than 3 months)	305,617	354,144
Total cash and cash equivalents	690,159	685,533

25 Contingent liabilities
There are no contingent liabilities that require disclosure.

26 Members' liability

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

27 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching and related staff; and the Local Government Pension Scheme (LGPS) for support staff, which is managed by Oxfordshire County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £81,783 were payable to the schemes at 31 August 2017 (2016: £83,407) and are included within creditors.

27 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. 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 TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teacher's 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 – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

27 Pension and similar obligations (continued)

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age

The pension costs paid to TPS in the period amounted to £454,131 (2016: £466,059).

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

27 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £258,000 (2016: £256,000) of which employer's contributions totalled £197,000 (2016: £195,000) and employees' contributions totalled £61,000 (2016: £61,000). The current agreed contribution rates for future years are 19.5% for employers and 5.5%-7.5% for employees.

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

The actuarial valuation at 31 March 2016 showed the Scheme to be in deficit. The Trust has entered into an agreement with the Scheme Trustees to make additional contributions in addition to normal funding levels between 1 April 2017 and 31 March 2020. In the year ended 31 August 2017 contributions to the past service deficit were £45,333 (2016: £45,833).

Principal Actuarial Assumptions

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	4.20%	4.10%
Rate of increase for pensions in payment / inflation	2.70%	2.30%
Discount rate for scheme liabilities	2.60%	2.20%
Inflation assumption (CPI)	2.70%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

	+0.1%	0.0%	-0.1%
	£	£	£
Sensitivity Analysis			
Adjustment to discount rate			
Present value of total obligation	5,743,000	5,892,000	6,045,000
Projected service cost	436,000	448,000	460,000
Adjustment to life expectancy assumptions			
Present value of total obligation	6,083,000	5,892,000	5,707,000
Projected service cost	462,000	448,000	434,000

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	23.4	23.3
Females	25.5	25.8
<i>Retiring in 20 years</i>		
Males	25.7	25.6
Females	27.9	28.1

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The Academy's share of the assets in the scheme were:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,814,000	1,521,000
Gilts	437,000	294,000
Other bonds	142,000	83,000
Property	191,000	167,000
Cash	113,000	81,000
Alternative Investments	242,000	180,000
Total market value of assets	2,939,000	2,326,000

The actual return on scheme assets was £322,000 (2016: £285,000).

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Service cost (net of employee contributions)	409,000	275,000
Net interest cost	62,000	54,000
Administration expenses	-	2,000
Total operating charge	471,000	331,000

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities.

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

	2017 £	2016 £
At beginning of period	5,268,000	3,220,000
Current service cost	409,000	275,000
Interest cost	116,000	130,000
Employee contributions	61,000	61,000
Change in financial assumptions	(195,000)	1,578,000
Estimated benefits paid net of transfers in	(12,000)	4,000
Change in demographic assumptions	80,000	-
Experience loss on defined benefit obligation	165,000	-
At 31 August	5,892,000	5,268,000

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

	2017 £	2016 £
At beginning of period	2,326,000	1,783,000
Interest on assets	54,000	76,000
Return on assets less interest	268,000	209,000
Employer contributions including unfunded	197,000	195,000
Employee contributions	61,000	61,000
Estimated benefits paid net of transfers in	(12,000)	4,000
Administration expenses	-	(2,000)
Other actuarial gains	45,000	-
At 31 August	2,939,000	2,326,000

Reconciliation of opening and closing deficit

	2017		2016	
	£	£	£	£
Pension deficit at beginning of period		(2,942,000)		(1,437,000)
Current service cost	(409,000)		(275,000)	
Employer contributions	197,000		195,000	
Additional pension cost		(212,000)		(80,000)
Other finance costs		(62,000)		(54,000)
Administration expenses		-		(2,000)
Actuarial gains/(losses)		263,000		(1,369,000)
Pension deficit at 31 August		(2,953,000)		(2,942,000)

28 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at or below cost to the provider and in accordance with the Academy's financial regulations and normal procurement procedures. There were no transactions with parties related to members of the Board of Trustees in the year (2016: £nil).

29 Connected organisations

Wallingford School Foundation is a registered charity that exists to provide or assist in the provision of facilities not normally provided by government funding at Wallingford School and for any charitable purpose relating to Wallingford School or its students. The Foundation has four trustees, of which two were Members and Trustees of The Merchant Taylors' Oxfordshire Academy Trust and one was a Governor of the school during the year.

Walter Bigg Foundation for Wallingford School is a registered charity that manages the assets of the former Wallingford Grammar School, founded in 1659 with a bequest by Walter Bigg. The charity makes grants from its net income towards providing items, services and facilities for Wallingford School and for young people resident in Wallingford, with a preference for past and present students attending Wallingford School. The Foundation has five trustees, of whom one was a Member and Trustee of The Merchant Taylors' Oxfordshire Academy Trust and two were Governors of the school during the year.

	Wallingford School Foundation	Walter Bigg Foundation
	Year ended 31 December 2016	Year ended 31 March 2016
	£	£
Aggregate amount of assets, liabilities & funds	244,152	4,489,570
Gross income	1,201	87,309
Expenditure	-	(227,156)
Surplus for the year	1,201	(139,847)

30 Agency Arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the year ended 31 August 2017 the Trust received £13,836 and disbursed £15,206 from the fund. An amount of £2,208 is included in other creditors relating to undistributed funds that is repayable to ESFA.