



**MERCHANT TAYLORS'
OXFORDSHIRE
ACADEMY TRUST**

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual Report and Financial Statements

For the year ended 31 August 2018

Company registration number: 07727786 (England and Wales)

The Merchant Taylors' Oxfordshire Academy Trust Ltd

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Reference and Administration Details

Members

I Domville
K McCrea
J Pebworth *
The Merchant Taylors Company
The Oxford Diocesan Board of Education

Trustees

H Carter *
J Chilton* (appointed 5 February 2018)
I Domville* (Chairman)
K McCrea
J Pebworth (resigned 1 September 2017)
G Stewart
T Titchener (resigned 1 September 2017)
A Wilcox (appointed 6 September 2017)
N Willis * (CEO and Accounting Officer)

* Members of the Finance & Audit Committee

Company Secretary

L Harrison

Senior Management Team

Head Teacher, Wallingford School & Trust CEO	N Willis
Head Teacher, Brightwell School	F Lewis
Deputy Head, Wallingford School	R Miller
Deputy Head, Wallingford School	K Vowles
Trust Business Manager	L Harrison
Trust Finance Director & CFO	C Fishwick

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

Stone King LLP
13 Queen Square
BATH, BA1 2HU

Winckworth Sherwood LLP
16 Beaumont Street
OXFORD, OX1 2LZ

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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 2018. This is the company's seventh year of operation; the company commenced activity on 1 September 2011 following conversion of Wallingford School to academy status on that date.

The Multi-Academy Trust comprises two academy schools:

Academy School	Capacity as stated in Funding Agreement	Students on Role (Oct 2017 census)
Wallingford School	1,211	1,229
Brightwell-cum-Sotwell CE Primary School	140	107

Wallingford School is an academy for pupils aged 11 to 18, serving the catchment area of Wallingford and its surrounding villages, in Oxfordshire.

Brightwell-cum-Sotwell CE Primary School joined the Trust on 1 September 2017. It serves the catchment area of Brightwell-cum-Sotwell and is in the catchment area for Wallingford School.

Structure, Governance and Management

Constitution

The 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 Trust. The Trustees are also the directors of the Charitable Company for the purposes of company law.

On 10 July 2017 the company changed its name to The Merchant Taylors' Oxfordshire Academy Trust Ltd. The Trust also operates as Wallingford School and Brightwell-cum-Sotwell CE Primary School.

Details of the Trustees who served throughout the year and to the date these accounts are approved, 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

From September 2017 the Board of Trustees has comprised:

- 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

As a vacancy arises the Trustees review the experience and skills of continuing Trustees and seek to appoint new Trustees with appropriate competencies from within the constituencies specified in the Memorandum & Articles of Association.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust subscribes to the National Governors Association, to provide access to current advice and support on all aspects of multi-academy trust governance for all Trustees and Governors. Trustees and Governors also attend governance courses provided by Oxfordshire County Council's Governor Services.

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Organisational Structure

Responsibilities

The organisational structure of the Trust to exercise its responsibility for each of its academy schools is as follows:

- The Trust Board
- The Trust Finance & Audit Committee
- A Local Governing Body (LGB) for each School
- LGB Committees:
 - Wallingford School: Resources Committee, Performance, Teaching & Learning Committee, Wellbeing Committee
 - Brightwell School: Resources Committee, Performance Committee
- CEO & Accounting Officer

The Trust Board is responsible overall for the Trust, including ultimate responsibility for the use of its resources in the advancement of its objects. This includes:

- Ensuring clarity of vision, ethos and strategic direction
- Holding executive leaders to account for the educational performance of the Trust and its students, and the performance management of staff
- Overseeing and ensuring effective financial performance
- Ensuring regularity and propriety in use of the trust's funds.

The Board delegates specific responsibilities to its Finance & Audit Committee, Local Governing Bodies, the CEO, Trust Business Manager and Chief Financial Officer. Schemes of delegation set out the roles and responsibilities of the Committees, LGBs and Officers; these schemes are reviewed at least annually by all involved.

The Finance & Audit Committee, comprises a sub-group of the Trustees together with the chairs of the Resources Committees of the local governing bodies, the Chief Financial Officer (ex officio) and Company Secretary (ex officio). The Committee provides guidance for the budgeting, forecasting and financial planning processes of the Trust, reviews financial policies & procedures, reviews in-year financial reporting, recommends the annual budget and financial statements to the Board for approval and receives reports of the Trust's internal auditors.

Local Governing Bodies and their Committees oversee the management and organisation of the academy schools in line with the development plan for the Trust. They set the ethos and vision for the academy together with monitoring performance and financial targets. They ensure the implementation of any applicable policies set by the Trust.

The Trust is very grateful for the commitment of its Local Governors to the schools, the students and staff, and for their generosity with their time and expertise.

The CEO acts as Accounting Officer for the Trust. As the Accounting Officer, the CEO is responsible for:

- Ensuring that the Trust's property and assets are under the control of the trustees, and measures exist to prevent losses or misuse

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- Ensuring that bank accounts, financial systems and financial records are operated by more than one person
- Keeping full and accurate accounting records to support their annual accounts.

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 Trustees, which has delegated certain responsibilities to the Local Governing Bodies and to Head Teachers. The Board is responsible for the establishment and review of the pay policy. Local Governing Bodies have authority to recommend pay decisions in accordance with the Trust pay policy on behalf of the Board. Head Teachers are responsible for making individual pay decisions, within the confines of national agreements. The Local Governing Body (LGB) has responsibility for any decision to pay staff beyond the maximum of any national pay range. The head teacher advises the LGB on its decisions if payment beyond the maximum of any pay range is being considered.

The CEO's pay is set by the Board, within the framework set by national agreements and the School Teachers' Pay and Conditions Document issued by the Department for Education.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into effect on 1 April 2017. This requires relevant public sector employers, including Trusts, to report trade union activity.

- The number of full time equivalent employees who were relevant union officials during the year ended 31 August 2018 is one.
- The employee who was a relevant union official during the relevant reporting period spent the following percentage of their working hours on facility time: 0%
- The percentage of the total pay bill (i.e. gross wages + pension contributions + national insurance contributions) spent on facility time is Nil
- The time spent on paid trade union activities as a percentage of total paid facility time is Nil

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

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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.

There is also partnership working with eight neighbouring town and village schools, including sporting and cultural events that the Academy organises.

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 teaching and learning and in all aspects of our operations. Teaching at the 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 Trust provides a curriculum and enters students for courses that meet their needs, without reference to the drivers of league table success.

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The 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.

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

Achievements and Performance

Wallingford School

The School 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 Trust.

Exam results over the past few years at Wallingford School have been excellent and, in the last five years have become truly exceptional. In terms of raw academic outcomes, we are now consistently one of the highest performing schools in Oxfordshire.

The public examinations that took place in the summer of 2018 produced the following results:

Examination	% of Students 2015	% of Students 2016	% of Students 2017	% of Students 2018
GCSEs				
4 or above (A* - C)	84%	79%	n/a	75%
A2				
A* - B	51%	54%	62%	56%

This was the second 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.

In 2016 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,

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across a range of eight qualifying subjects. Our Progress 8 score of 0.16, shows that, on average, students achieve 0.16 of a grade higher in every one of their subjects compared to what they would achieve in an 'average' school.

Measure	2016	2017	2018
Attainment 8	57	51	50
Progress 8	0.34	0.33	0.16

The Trust does not consider Progress 8 to be a reasonable measure of achievable progress, but a measure of compliance with flawed government policy. The Progress 8 measure encourages schools to require every student to do a humanities subject and a modern language, regardless of 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 and DT. 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. This has a direct adverse effect on the School's Progress 8 score.

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 4 or above:	2017	2018
English	80%	81%
Maths	84%	80%
Grade 5 or above:		
English	70%	68%
Maths	65%	65%

Overall the School was again well above average nationally for A level results.

We recognise the importance of Vocational courses for our students and we have a *KS5 Vocational Strategy* in place. For Vocational qualifications, 6th form student numbers have increased significantly since 2013 and in 2018, %D*-D was 40%.

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.

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- 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 mean deviating from approaches promoted by league table measures and tends to assist disadvantaged students in particular. 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. In the past 3 years numbers attending the 6th form have grown significantly. The pupil numbers on role at the Trust during the academic years 2015/16, 2016/17 and 2017/18 are as follows:

Pupil Numbers	Nov-16	Nov-17	Nov-18
Year 7	197	209	193
Year 8	190	194	212
Year 9	202	189	191
Year 10	190	192	189
Year 11	190	188	193
Year 12	137	138	135
Year 13	99	113	129
Total	1,205	1,223	1,242

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The School 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:

- 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 “Bugsy Malone” and a Spring Concert and Spring Dance Show at Wallingford School.
- Organizing a team of 6th formers to attend a Model United Nations of students from across Europe, held at the International School of Lyon;
- Keeping the schools open throughout the snowy weather in winter, giving students an example of resilience and overcoming challenges, when safe to do so.

Brightwell School

Brightwell-cum-Sotwell CE Primary School joined the Trust on 1 September 2017. The Trust had been involved with the School during the previous year, including secondment of an assistant head to lead the turnaround of the school.

At primary level tests and exams are not the be all and end all however progress test results for 2017/18 demonstrate that the school is back on the right track.

Compared with 2016, pupils reaching the expected standard for Reading has jumped from 33% to 83%, Writing from 50% to 83% and Maths from 67% to 75%.

83% of our children achieved at least the expected standard across all three subjects with 17% achieving a high level of attainment across all three subjects. Average scaled scores have improved too with the average scaled score for Reading at 112.

Phonics results are in a similar position with an 89% pass rate.

A lot of hard work on the part of the children and teachers went into these results but not at the expense of everything else that makes school a great place to be. During the year the school participated in Young Voices, Wallingford Carnival, a STEM week, and ran trips to the theatre, the Living Nativity at London Zoo, an outward bound residential for Year 6 and many activities in the local area and community. KS2 put on a highly successful production of “Greece Goes To Pieces” and we had a “street party” to celebrate the Royal Wedding. The school remained open throughout the snowy weather.

The Trustees and Governors commend the students and staff of the Schools 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.

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Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the 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.

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 Trust. The 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.

Other financial KPIs used to manage financial performance are:

- cash balance as % of annual expenditure
- in-year surplus/deficit compared to budget and forecast
- General Educational Fund balance compared to target

Financial Review

The Trust's principal source of funds is the General Annual Grant ("GAG") received from the Education and Skills Funding Agency, which amounted to £6m for the year (2017: £5.5m).

The total fund balances of the Trust at 31 August 2018, as detailed in note 18 to the financial statements, amounted to £8,547k (2016: £8,263k). Excluding the fixed asset fund (representing the net book value of fixed assets) of £10,416k and the pension deficit fund of £2,348k, fund balances amounted to £479k and are summarised as follows:

	£'000
GAG funds	-
School Sports Partnership funds	33
Other restricted income funds	70
Capital funds	62
General unrestricted funds	314
	<u>479</u>

The Trust incurred net expenditure in the year on its combined unrestricted and restricted general funds of £81k, excluding the impact of pensions accounting. The deficit was managed within the parameters set by the Trustees' reserves policy. The deficit was generated by the need to train teachers in the new public examination courses, to meet the needs of disadvantaged students for which there was insufficient Pupil Premium funding and repairs and improvements to meet Health & Safety requirements at Brightwell School.

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

The Local Government Pension Scheme deficit has decreased during the past year. The fair value of the fund investments increased over the year by £555k whilst the present value of the funded obligation increased by £50k. 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 Trust has an Internal Financial Procedures Manual, which is reviewed annually, to minimise exposure to operational and financial risk. There has also been a regular review, by an external Responsible Officer, who undertakes quarterly internal audit checks at the Trust, with recommendations being sent directly to the Chair of Trustees.

Principal Risks and Uncertainties

The risks to the 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 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 policy is reviewed annually. The Trustees set a level of reserves intended to balance the need to secure and maintain the 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 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.

At 31 August 2018 the Trust had free reserves of £321,511 (2017: £353,646).

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During the year the Trustees released the designated reserve for the replacement of the Astro Turf in order to maintain the free reserves at the level set by the reserves policy. The combination of year-on-year growth in student numbers, for which funding is received a year after students join a school, and the implementation of the National Funding Formula for schools is forecast to place severe pressure on the unrestricted reserve and the Trust could no longer afford to set funds aside for this purpose. The balance released to the general unrestricted reserve was £48,700.

Restricted reserves consist of grants given for specific purposes. The balance of unspent restricted reserves at 31 August 2018 was £94,691. Of this balance, £38,000 relates to projects in progress at the year end and the funds will be spent in 2018/19. The remaining balance relates to longer-term projects.

Restricted fixed asset funds comprise the net book value of fixed assets, that can only be realised by disposing of fixed assets, of £10,416,112, and unspent capital grants of £62,425. The balance on the Devolved Formula Capital grant, £16,741, is required by the terms of the grant to be spent in 2018/19. Capital funds transferred on conversion are held by the Trustees against an occasion when urgent capital expenditure may be required for which no other funding can be obtained.

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.

Fundraising

The Trust and its schools carry out little fundraising from the public. Voluntary gifts are sometimes received from event organisers and the general public when the students take part in community events. Unsolicited gifts are always gratefully received and the Head Teacher of the relevant school will discuss with the donor the most appropriate use of their gift.

It is very grateful to the Wallingford School Association and Friends of Brightwell School for their efforts on behalf of the schools. The activities of these organisations are carried out in consultation with the Head Teachers of the relevant schools.

Any complaints about fundraising activities would be handled in accordance with the Trust's complaints procedure. We will respect the privacy and contact preferences of all donors. We will respond promptly to requests to cease contacts or complaints and act as best we can to address their causes.

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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 2019 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.

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 Staff conference held in October 2018, one of the Trust's key Teaching & Learning events each year, focussed this year on disadvantaged students, developing actions we will take in continuing to raise their levels of achievement above the national average.

The current, well-publicised, funding situation for schools is creating challenges to the Trust's commitment to providing the widest possible comprehensive curriculum in its Schools. Coverage of subjects with low take-up and below-average results in 6th form and at GCSE is under review; where Wallingford School is able to sustain good results in subjects, the Trustees will make every effort to continue to offer them. The Trust remains committed to providing a wide range of extra-curricular activities that will ensure a breadth of experiences continues to be offered to students, even if formal examination courses cannot be maintained.

Funds Held as Custodian on Behalf of Others

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

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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 6 December 2018 and signed on the Board's behalf by:



Ian Domville
Chair of Trustees

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2018

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 Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The Board of Trustees, has formally met 5 times during the year. Attendance of Trustees in post during the year at meetings of the Board was as follows:

Trustee	Meetings attended	Out of a possible
H Carter *	5	5
J Chilton (appointed 5 February 2018)	1	3
I Domville (Chair of Trustees)	5	5
K McCrea	5	5
J Pebworth * (resigned 1 September 2017)	0	0
G Stewart	4	5
T Titchener (resigned 1 September 2017)	0	0
A Wilcox (appointed 6 September 2018)	5	5
N Willis *	5	5

The Academies Financial Handbook recommends the Board meets at least 6 times per year. The Board of Trustees considered five meetings to be sufficient for the size and complexity of the Trust. The Trustees are represented on local governing bodies by the Chairs of those bodies, exercising further governance oversight between formal meetings of the Board. The Board is contactable at all times by the company officers and available to convene additional meetings should the need arise.

The Finance & Audit Committee is a sub-Committee of the Board of Trustees. Its purpose is to establish and maintain a financially sound and sustainable Trust whilst at the same time increasing the opportunities and outcomes of the Trust's students. The Chair, H Carter, is an investment banker and represents the Merchant Taylors Company. J Domville stepped down as Chair of Brightwell Resources Committee and member of the Finance & Audit Committee on 31 August 2018 and was replaced by S Nicholls, a chartered member of the

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2018

CIPD and J Chilton, a minister of religion with long-standing involvement with Brightwell School.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
H Carter (Chair)	3	3
J Chilton (appointed 5 February 2018)	1	2
I Domville	3	3
J Domville (resigned 31 August 2018)	3	3
S Nicholls (appointed 1 September 2018)	1	1
J Pebworth	2	3
N Willis	3	3

The Trustees 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 Trustees with the needed skills and experience.

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the 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.

Shared support services:

Brightwell School's HR, finance and facilities management requirements were met by Wallingford School instead of buying in external support or being under-resourced due to the operating deficit. Procedures of the two schools were largely integrated, to maximise efficiency and improve the timeliness of reporting and management. Collection of monies owed, payment of suppliers, maintenance of HR records and contracts and compliance with Health and Safety regulations all improved significantly at the school over the year.

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2018

Purchasing:

1. Telephone contract: the contract for Wallingford School telephone services was put out to tender in 2017/18. A system was selected that carries calls for free over the broadband service, enabling the school to end its ISDN service, saving £6,000 per year. In 2018/19 this will be extended to Brightwell School.
2. Brightwell School's contracts were reviewed as they came up for renewal, to ensure the school was obtaining maximum benefit from potential economies of scale, having joined the Trust. A number of suppliers were changed and/or contracts re-structured. Cleaning was taken in-house.
3. The grounds maintenance contracts were reviewed during the year and the decision taken that better value would be obtained by taking the service in-house.

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 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 The Merchant Taylors' Oxfordshire Academy Trust for the period 1 September 2017 to 31 August 2018 and up to date approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 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 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 2018

The Trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Trustees 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 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 Chair of Trustees and Finance & Audit Committee receive reports on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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 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 6 December 2018 and signed on its behalf by:



Ian Domville
Chair



Nigel Willis
Accounting Officer

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 Trust Board of Trustees and the Education & Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Trust Board of Trustees are able to identify any material irregularity or improper use of funds by the Trust or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

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



Nigel Willis
Accounting Officer

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 2017 to 2018;
- 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 6 December 2018 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 2018

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

Opinion on financial statements

We have audited the financial statements of The Merchant Taylors' Oxfordshire Academy Trust Ltd ('the academy trust') for the year ended 31 August 2018 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 2017 to 2018 issued by the ESFA.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 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 Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

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

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.

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.

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2018

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

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

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

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 21), 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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

The Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2018

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.

Use of our report

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



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

Date: 17/12/18

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 2018

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 11 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 Merchant Taylors' Oxfordshire Academy Trust Ltd

Annual report and financial statements for the year ended 31 August 2018

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

The work undertaken to draw to our conclusion includes:

1. Reviewing of minutes of meetings of the Board of Trustees 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.

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Use of our report

This report is made solely to The Merchant Taylors' Oxfordshire Academy Trust Ltd 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.



Critchleys LLP
Reporting Accountant
Oxford

Date: 17/12/18

The Merchant Taylors' Oxfordshire Academy Trust Ltd
Statement of Financial Activities
For the year ended 31 August 2018
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:									
Donations and capital grants	2	30	308,537	30,663	339,230	1,322	132,982	24,829	159,133
Transfer from local authority on conversion		-	(62,958)	32,395	(30,563)	-	-	-	-
Charitable activities:									
Funding for the Academy Trust's educational operations	5	509,142	6,441,229	-	6,950,371	591,270	5,847,436	-	6,438,706
Other trading activities	3	94,637	-	-	94,637	83,183	-	-	83,183
Investments	4	2,026	-	-	2,026	1,844	-	-	1,844
Total income and endowments		605,835	6,686,808	63,058	7,355,701	677,619	5,980,418	24,829	6,682,866
Expenditure on:									
Raising funds	6	60,523	-	-	60,523	52,092	-	-	52,092
Charitable activities:									
Academy Trust educational operations	6,7	453,304	7,250,686	378,937	8,082,927	442,957	6,329,575	377,218	7,149,750
Total expenditure		513,827	7,250,686	378,937	8,143,450	495,049	6,329,575	377,218	7,201,842
Net income/expenditure		92,008	(563,878)	(315,879)	(787,749)	182,570	(349,157)	(352,389)	(518,976)
Transfers between funds	17	(180,556)	133,869	46,687	-	(56,256)	19,368	36,888	-
Net income/(expenditure) for the year		(88,548)	(430,009)	(269,192)	(787,749)	126,314	(329,789)	(315,501)	(518,976)
Other recognised gains and losses									
Actuarial gains in year for defined benefit pension schemes	27	-	1,071,000	-	1,071,000	-	263,000	-	263,000
Net movement in funds		(88,548)	640,991	(269,192)	283,251	126,314	(66,789)	(315,501)	(255,976)
Reconciliation of funds									
Funds brought forward at 1 September 2017		402,346	(2,886,587)	10,747,729	8,263,488	276,032	(2,819,798)	11,063,230	8,519,464
Funds carried forward at 31 August 2018		313,798	(2,245,596)	10,478,537	8,546,739	402,346	(2,886,587)	10,747,729	8,263,488

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 2018

Company number:
07727786

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	11		10,416,112		10,671,604
Current assets					
Stock	12	3,026		8,242	
Debtors	13	280,392		247,539	
Investments	14	307,309		305,617	
Cash at bank and in hand	24	395,135		384,542	
		<u>985,862</u>		<u>945,940</u>	
Creditors: Amounts falling due within one year	15	(507,235)		(401,056)	
Net current assets			<u>478,627</u>		<u>544,884</u>
Total assets less current liabilities			10,894,739		11,216,488
Creditors: Amounts falling due after more than one year	16		-		-
Net assets excluding pension liability			<u>10,894,739</u>		<u>11,216,488</u>
Pension scheme liability	27		(2,348,000)		(2,953,000)
Net assets including pension liability			<u>8,546,739</u>		<u>8,263,488</u>
Funds of the academy:					
Restricted fixed asset funds	17	10,478,537		10,747,729	
Restricted income fund	17	102,404		66,414	
Pension reserve	17	(2,348,000)		(2,953,000)	
Total restricted funds			8,232,941		7,861,143
Unrestricted funds					
Designated funds	17	-		48,700	
General funds	17	313,798		353,646	
Total unrestricted income funds			313,798		402,346
Total funds			<u>8,546,739</u>		<u>8,263,488</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 6 December 2018.

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 2018

	Notes	2018 £	2017 £
Cashflows from operating activities			
Net cash provided by / (used in) operating activities	21	103,041	39,210
Cashflows from financing activities	22	2,026	1,844
Cashflow from investing activities	23	(92,782)	(36,428)
Change in cash and cash equivalents in the year		<u>12,285</u>	<u>4,626</u>
Cash and cash equivalents at 1 September 2017		690,159	685,533
Cash and cash equivalents at 31 August 2018	24	<u><u>702,444</u></u>	<u><u>690,159</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.

Transfer on Conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

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.

The Merchant Taylors' Oxfordshire Academy Trust Ltd
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1. Statement of Accounting Policies (continued)

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

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.

1. Statement of Accounting Policies (continued)

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.

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.

1. Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgement (continued)

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.

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 assets are depreciated over their estimated useful lives to their estimated residual values. Both the estimated useful life and the residual value are reviewed at least at each financial year-end. The Trustees' on-going objectives and strategies for the Trust assume that the schools will continue to occupy their current sites indefinitely and there is no reason to adjust the estimated life of the leasehold assets. The land and buildings occupied by Brightwell School are occupied with the permission of the Trustees of the property, for £nil rent and subject to two years notice to vacate the property. Given the nature of the tenure, the Trust has judged the fair value of the occupation to be £nil.

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

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 2018 £	Total 2017 £
DfE/ESFA capital grants				
Devolved formula capital grant	-	30,663	30,663	24,829
	-	30,663	30,663	24,829
Other grants and donations	30	308,537	308,567	134,304
	30	339,200	339,230	159,133

3 Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Community leisure and other lettings	94,637	-	94,637	83,183
	94,637	-	94,637	83,183

4 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Short-term deposit interest	1,692	-	1,692	1,484
Bank interest	334	-	334	360
	2,026	-	2,026	1,844

5 Funding for Academy Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	6,047,519	6,047,519	5,506,627
Other DfE grants	-	221,880	221,880	199,939
	-	6,269,399	6,269,399	5,706,566
Other Government grants				
Local authority grants	-	171,115	171,115	140,720
	-	171,115	171,115	140,720
Other income for educational operations				
Contributions to salaries	-	-	-	-
Trips and activities income	252,312	-	252,312	280,542
Uniform sales	9,839	-	9,839	46,630
Catering income	158,004	-	158,004	145,165
Other educational income	88,987	715	89,702	119,083
	509,142	715	509,857	591,420
	509,142	6,441,229	6,950,371	6,438,706

The Merchant Taylors' Oxfordshire Academy Trust Ltd
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6 Expenditure

	Staff Costs £	Premises Costs £	Other Costs £	Total 2018 £	Total 2017 £
Costs of activities for raising funds	39,901	18,169	2,453	60,523	52,092
Academy Trust's educational operations					
Direct costs (note 7)	4,729,866	-	780,792	5,510,658	4,990,567
Allocated support costs (note 7)	908,402	341,293	1,322,575	2,572,270	2,159,183
	<u>5,638,268</u>	<u>341,293</u>	<u>2,103,367</u>	<u>8,082,928</u>	<u>7,149,750</u>

Income and expenditure for the year include:

	2018 £	2017 £
Operating leases: Plant and equipment	15,404	12,676
Fees payable to auditor:		
Governance: Audit	8,100	6,850
Educational operations: Other services	800	2,420
	<u>800</u>	<u>2,420</u>

7 Charitable Activities - Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Direct costs				
Teaching and educational support staff costs	-	4,729,866	4,729,866	4,227,019
Educational supplies and trip costs	252,312	338,205	590,517	594,734
Examination fees	-	110,979	110,979	100,641
Staff development	-	76,051	76,051	58,603
Other direct costs	-	3,245	3,245	9,570
	<u>252,312</u>	<u>5,258,346</u>	<u>5,510,658</u>	<u>4,990,567</u>
Allocated support costs				
Support staff costs	-	578,335	578,335	513,198
Depreciation	-	378,937	378,937	377,218
Recruitment and support	-	25,496	25,496	15,968
Maintenance (inc. staff costs)	-	357,581	357,581	350,839
Cleaning	-	126,624	126,624	98,875
Rent, rates and other utilities	-	138,368	138,368	140,868
Catering costs (inc. staff costs)	200,992	-	200,992	162,415
Insurance	-	35,434	35,434	31,270
IT costs	-	122,475	122,475	65,007
Photocopier and stationery costs	-	25,604	25,604	19,344
Consultancy and other professional fees	-	103,664	103,664	50,452
Other pension costs	-	299,000	299,000	212,000
Other finance costs (FRS102 pension)	-	82,000	82,000	62,000
Other support costs	-	69,966	69,966	48,807
Governance costs	-	27,794	27,794	10,922
	<u>200,992</u>	<u>2,371,278</u>	<u>2,572,270</u>	<u>2,159,183</u>
Total	<u>453,304</u>	<u>7,629,624</u>	<u>8,082,928</u>	<u>7,149,750</u>

The Merchant Taylors' Oxfordshire Academy Trust Ltd
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8 Staff Costs

	2018	2017
	£	£
Staff costs for the period were:		
Wages and salaries	4,517,152	4,046,561
Social security costs	412,340	372,761
Operating costs of defined benefit pension schemes	703,657	652,959
Apprenticeship Levy	6,667	2,233
	<u>5,639,816</u>	<u>5,074,514</u>
Agency supply teacher costs	38,353	5,899
	<u>5,678,169</u>	<u>5,080,413</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:

	2018	2017
	No.	No.
Staff Numbers		
Teachers	68	64
Administration and support	61	54
Management	9	7
	<u>138</u>	<u>125</u>

Higher paid staff

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

	2018	2017
	No.	No.
£60,001 - £70,000	-	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 £419,859 (2017: £508,306).

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:

		2018	2017
		£	£
N Willis, Headteacher and Trustee	Remuneratio	£95k-£100k	£90k-£95k
	Employer's pension contributions	£15k-£20k	£10k-£15k

During the year ended 31 August 2018, no expenses were reimbursed to Trustees (2017: £nil).

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

The Merchant Taylors' Oxfordshire Academy Trust Ltd
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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 2018 and 31 August 2017 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 2017	12,631,754	167,277	217,552	48,730	13,065,313
Additions	9,222	104,433	4,190	5,600	123,445
Disposals	-	-	(5,183)	-	(5,183)
At 31 August 2018	<u>12,640,976</u>	<u>271,710</u>	<u>216,559</u>	<u>54,330</u>	13,183,575
Depreciation					
At 1 September 2017	2,028,048	115,451	201,480	48,730	2,393,709
Charges in year	338,192	27,617	12,008	1,120	378,937
Disposals	-	-	(5,183)	-	(5,183)
At 31 August 2018	<u>2,366,240</u>	<u>143,068</u>	<u>208,305</u>	<u>49,850</u>	2,767,463
Net book values					
At 31 August 2018	<u>10,274,736</u>	<u>128,642</u>	<u>8,254</u>	<u>4,480</u>	<u>10,416,112</u>
At 1 September 2017	<u>10,603,706</u>	<u>51,826</u>	<u>16,072</u>	<u>-</u>	<u>10,671,604</u>

The Trust took out 125 year leases over the property occupied by Wallingford School 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.

The Trust took out a 125 year lease over the playing field adjoining Brightwell School at the date of conversion. The valuation was based on the market value price per hectare applied by Oxfordshire County Council for its playing fields for the year ended 31 March 2018.

12 Stock

	2018 £	2017 £
Uniform stock	<u>3,026</u>	<u>8,242</u>
	<u>3,026</u>	<u>8,242</u>

The Merchant Taylors' Oxfordshire Academy Trust Ltd
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13 Debtors

	2018 £	2017 £
Trade debtors	3,941	81,886
Prepayments and accrued income	225,921	128,944
Other debtors	50,530	36,709
	<u>280,392</u>	<u>247,539</u>

14 Investments

	2018 £	2017 £
Short-term cash deposit	307,309	305,617
	<u>307,309</u>	<u>305,617</u>

15 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	106,817	112,698
PAYE and NIC creditor	104,311	95,335
Other creditors	93,719	87,666
Accruals and deferred income	202,388	105,357
	<u>507,235</u>	<u>401,056</u>

Deferred income

	2018 £	2017 £
Deferred income at 1 September	57,599	18,185
Resources utilised in year	(57,599)	(18,185)
Resources deferred in the period	120,070	57,599
Deferred income at 31 August	<u>120,070</u>	<u>57,599</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

	2018 £	2017 £
Accruals and deferred income	<u>-</u>	<u>-</u>

The Merchant Taylors' Oxfordshire Academy Trust Ltd
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17 Funds

	Balance at 1 September 2017 £	Incoming Resources £	Resources Expended £	Gains/losses & transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	6,047,519	(6,181,388)	133,869	0
Pupil Premium funding	-	121,602	(121,602)	-	-
Other DfE funding	-	100,278	(95,326)	-	4,952
Local Authority funding	-	193,157	(193,157)	-	-
Walter Bigg Trust	3,354	145,854	(145,854)	-	3,354
Wallingford School Foundation	-	38,200	(27,816)	-	10,384
Merchant Taylors	7,150	75,050	(72,571)	-	9,629
School Associations	-	21,149	(3,388)	-	17,761
Partnership of schools funds	12,912	-	-	-	12,912
Go4It funds	279	-	-	-	279
Momenta/School Sports Partnership	32,146	24,715	(24,300)	-	32,561
Other restricted funding	740	4,284	(4,284)	-	740
Special purposes restricted balances	9,832	-	-	-	9,832
Pension reserve (note 27)	(2,953,000)	(85,000)	(381,000)	1,071,000	(2,348,000)
	(2,886,587)	6,686,808	(7,250,686)	1,204,869	(2,245,596)
Restricted fixed asset funds					
Capital funds transferred on conversion	45,684	32,395	-	(32,395)	45,684
Devolved formula capital grant	30,441	30,663	-	(44,363)	16,741
Fixed asset fund (note 11)	10,671,604	-	(378,937)	123,445	10,416,112
	10,747,729	63,058	(378,937)	46,687	10,478,537
Total restricted funds	7,861,142	6,749,866	(7,629,623)	1,251,556	8,232,941
Unrestricted funds					
Designated fund: Astroturf renewal	48,700	-	-	(48,700)	-
Unrestricted funds	353,646	605,835	(513,827)	(131,856)	313,798
Total unrestricted funds	402,346	605,835	(513,827)	(180,556)	313,798
Total funds	8,263,488	7,355,701	(8,143,450)	1,071,000	8,546,739

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 2018.

Designated fund: Astroturf renewal

The Trustees operated 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 Astroturf pitches, due around 2020. This fund was released back to the Unrestricted General Reserve during the year ended 31 August 2018, to be available for normal operations. Replacement of the Astro-Turf will be funded from fund-raising and grants when it falls due.

The Merchant Taylors' Oxfordshire Academy Trust Ltd
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17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	2018	2017
Revenue reserves		
Brightwell School	(3,888)	-
Wallingford School	420,090	468,759
Total before Fixed Assets and pension reserve	416,202	468,759
Fixed Asset fund	10,478,537	10,747,729
Pension reserve	(2,348,000)	(2,953,000)
	<u>8,546,739</u>	<u>8,263,488</u>

Comparative information in respect of the preceeding period is as follows :

	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	-
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)
	<u>(2,819,798)</u>	5,980,418	(6,329,575)	282,368	<u>(2,886,587)</u>
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
	<u>11,063,230</u>	24,829	(377,218)	36,888	<u>10,747,729</u>
Total restricted funds	<u>8,243,432</u>	<u>6,005,247</u>	<u>(6,706,793)</u>	<u>319,256</u>	<u>7,861,142</u>
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	<u>276,032</u>	<u>677,619</u>	<u>(495,049)</u>	<u>(56,256)</u>	<u>402,346</u>
Total funds	<u>8,519,464</u>	<u>6,682,866</u>	<u>(7,201,842)</u>	<u>263,000</u>	<u>8,263,488</u>

The Merchant Taylors' Oxfordshire Academy Trust Ltd
Notes to the financial statements
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17 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows :

	Balance at				Balance at
	1 September	Incoming	Resources	Gains/losses	31 August
	2016	Resources	Expended	& transfers	2018
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	49,245	11,554,146	(11,766,868)	163,477	0
Pupil Premium funding	-	255,922	(255,922)	-	-
Other DfE funding	-	165,897	(160,945)	-	4,952
Local Authority funding	-	332,677	(332,677)	-	-
Walter Bigg Trust	13,594	242,884	(242,884)	(10,240)	3,354
Wallingford School Foundation	-	43,675	(33,291)	-	10,384
Merchant Taylors	2,150	80,050	(72,571)	-	9,629
School Associations	-	21,149	(3,388)	-	17,761
Partnership of schools funds	12,912	-	-	-	12,912
Go4It funds	279	-	-	-	279
Momenta/School Sports Partnership	33,450	49,902	(50,791)	-	32,561
Other restricted funding	740	5,924	(5,924)	-	740
Special purposes restricted balances	9,832	-	-	-	9,832
Pension reserve (note 27)	(2,942,000)	(85,000)	(655,000)	1,334,000	(2,348,000)
	(2,819,798)	12,667,226	(13,580,261)	1,487,237	(2,245,596)
Restricted fixed asset funds					
Capital funds transferred on conversion	45,684	32,395	-	(32,395)	45,684
Devolved formula capital grant	29,981	55,492	-	(68,732)	16,741
Fixed asset fund (note 11)	10,987,565	-	(756,155)	184,702	10,416,112
	11,063,230	87,887	(756,155)	83,575	10,478,537
Total restricted funds	8,243,432	12,755,113	(14,336,416)	1,570,812	8,232,941
Unrestricted funds					
Designated fund: Astroturf renewal	36,700	-	-	(36,700)	-
Unrestricted funds	239,332	1,283,454	(1,008,876)	(200,112)	313,798
Total unrestricted funds	276,032	1,283,454	(1,008,876)	(236,812)	313,798
Total funds	8,519,464	14,038,567	(15,345,292)	1,334,000	8,546,739

18 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	10,416,112	10,416,112
Current assets	821,033	102,404	62,425	985,862
Current liabilities	(507,235)	-	-	(507,235)
Creditors due after more than one year	-	-	-	-
Pension Scheme liability	-	(2,348,000)	-	(2,348,000)
Total net assets	313,798	(2,245,596)	10,478,537	8,546,739

Comparative information in respect of the preceeding period is as follows :

	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

	2018 £	2017 £
Contracted for, but not provided in the financial statements	-	-

20 Financial commitments

Operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	16,185	12,868
Amounts due between one and five years inclusive	25,872	960
Amounts due after five years	-	-
	42,057	13,828

The Merchant Taylors' Oxfordshire Academy Trust Ltd
Notes to the financial statements
For the year ended 31 August 2018

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

	2018	2017
	£	£
Net (expenditure) for the year	(787,749)	(518,976)
Depreciation (note 11)	378,937	377,218
Loss on disposal of tangible fixed assets	-	-
Capital grants from DfE	(30,663)	(24,829)
Interest receivable (note 4)	(2,026)	(1,844)
FRS102 pension costs less contributions payable (note 27)	299,000	212,000
FRS102 pension other finance charges (note 27)	82,000	62,000
Effect of acquisition of Brightwell School	85,000	-
Decrease/(increase) in stock	5,216	4,382
(Increase) in debtors	(32,853)	(60,463)
(Decrease) in creditors	106,179	(10,278)
Net cash provided by operating activities	103,041	39,210

22 Cashflows from financing activities

	2018	2017
	£	£
Interest received	2,026	1,844
Net cash provided by financing activities	2,026	1,844

23 Cashflow from investing activities

	2018	2017
	£	£
Purchase of tangible fixed assets	(123,445)	(61,257)
Capital grants from DfE	30,663	24,829
Net cash used in investing activities	(92,782)	(36,428)

24 Analysis of cash and cash equivalents

	At 31 August 2018	At 31 August 2017
	£	£
Cash at bank and in hand	395,135	384,542
Notice deposits (less than 3 months)	307,309	305,617
Total cash and cash equivalents	702,444	690,159

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 £86,877 were payable to the schemes at 31 August 2018 (2017: £81,783) and are included within creditors.

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 £484,283 (2017: £454,131).

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 2018 was £292,000 (2017: £258,000) of which employer's contributions totalled £221,000 (2017: £197,000) and employees' contributions totalled £71,000 (2017: £61,000). The current agreed contribution rates for future years are 15.1% 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 2018 contributions to the past service deficit were £43,417 (2017: £45,333).

Principal Actuarial Assumptions

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.50%	4.20%
Rate of increase for pensions in payment / inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.80%	2.60%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

The following table sets out the impact of a small change in the principal assumptions used to measure the scheme liabilities.

Sensitivity Analysis

Change in assumptions at 31 August 2018:

	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	13%	765,000
0.5% increase in Salary Increase Rate	3%	155,000
0.5% increase in Pension Increase Rate	10%	597,000

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 2018	At 31 August 2017
<i>Retiring today</i>		
Males	23.4	23.4
Females	25.5	25.5
<i>Retiring in 20 years</i>		
Males	25.7	25.7
Females	27.9	27.9

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 2018 £	Fair value at 31 August 2017 £
Equities	2,445,800	1,814,000
Gilts	593,980	579,000
Property	279,520	191,000
Cash	174,700	113,000
Alternative Investments	-	242,000
Total fair value of assets	3,494,000	2,939,000

The actual return on scheme assets was £220,000 (2017: £322,000).

Amounts recognised in the statement of financial activities

	2018 £	2017 £
Service cost (net of employee contributions)	520,000	409,000
Net interest cost	82,000	62,000
Total operating charge	602,000	471,000

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:

	2018 £	2017 £
At beginning of period	5,892,000	5,268,000
Current service cost	520,000	409,000
Interest cost	164,000	116,000
Employee contributions	71,000	61,000
Change in financial assumptions	(933,000)	(195,000)
Estimated benefits paid net of transfers in	(20,000)	(12,000)
Change in demographic assumptions	-	80,000
Experience loss on defined benefit obligation	-	165,000
Effect of acquisition of Brightwell School	148,000	-
At 31 August	5,842,000	5,892,000

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

	2018 £	2017 £
At beginning of period	2,939,000	2,326,000
Interest on assets	82,000	54,000
Return on assets less interest	138,000	268,000
Employer contributions including unfunded	221,000	197,000
Employee contributions	71,000	61,000
Estimated benefits paid net of transfers in	(20,000)	(12,000)
Other actuarial gains	-	45,000
Effect of acquisition of Brightwell School	63,000	-
At 31 August	3,494,000	2,939,000

Reconciliation of opening and closing deficit

	2018		2017	
	£	£	£	£
Pension deficit at beginning of period		(2,953,000)		(2,942,000)
Current service cost	(520,000)		(409,000)	
Employer contributions	221,000		197,000	
Additional pension cost		(299,000)		(212,000)
Other finance costs		(82,000)		(62,000)
Effect of acquisition of Brightwell School		(85,000)		
Actuarial gains/(losses)		1,071,000		263,000
Pension deficit at 31 August		(2,348,000)		(2,953,000)

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 (2017: £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 one is a Member and Trustee and one is a Trustee of The Merchant Taylors' Oxfordshire Academy Trust and one is a Governor of Wallingford School.

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 six trustees, of whom one is a Member and Trustee of The Merchant Taylors' Oxfordshire Academy Trust and one is a Governor of Wallingford School.

	Wallingford School Foundation	Walter Bigg Foundation
	Year ended 31 December 2017	Year ended 31 March 2017
	£	£
Aggregate amount of assets, liabilities & funds	232,744	4,987,570
Gross income	1,259	91,866
Expenditure	(31,970)	(116,510)
Surplus/(deficit) for the year	(30,711)	(24,644)

30 Agency Arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the year ended 31 August 2018 the Trust received £15,550 and disbursed £13,695 from the fund. An amount of £4,063 is included in other creditors relating to undistributed funds that is repayable to ESFA.