



MERCHANT TAYLORS'
OXFORDSHIRE
ACADEMY TRUST

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual Report and Financial Statements

For the year ended 31 August 2019



Company registration number: 07727786 (England and Wales)

The Merchant Taylors' Oxfordshire Academy Trust Limited
Annual report and financial statements for the year ended 31 August 2019

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Reference and Administrative Details

Members	I Domville K McCrea (resigned 12 December 2018) C O'Callaghan (appointed 14 February 2019) J Pebworth * The Merchant Taylors' Company The Oxford Diocesan Board of Education
Trustees	H Carter * J Chilton* I Domville* (Chairman) J Marston (CEO and Accounting Officer) (appointed 1 September 2019) K McCrea (resigned 12 December 2018) J Pebworth (appointed 13 December 2018) G Stewart A Wilcox N Willis * (CEO and Accounting Officer) (resigned 31 August 2019) * Members of the Finance & Audit Committee
Company Secretary	L Harrison
Senior Management Team	
Head Teacher, Wallingford School & Trust CEO	N Willis (to 31 August 2019) J Marston (from 1 September 2019)
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	C Fishwick (to 13 October 2019) G Smith (from 14 October 2019)
Principal and Registered Office	Wallingford School St George's Road WALLINGFORD Oxfordshire, OX10 8HH
Company Registration Number	7727786 (England and Wales)
Independent Auditor	James Cowper Kreston 2 Communications Road, Greenham Business Park, NEWBURY, RG19 6AB
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 trust for the year ended 31 August 2019. 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 2018 census)
Wallingford School	1,211	1,247
Brightwell-cum-Sotwell CE Primary School	140	111

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 Trust'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*.

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 Trust 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.

Principal Activities

The Trust'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:

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- (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

The Board of Trustees comprises:

- 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. Trustees are provided with access to policies, procedures, minutes, accounts, budgets, plans and other documentation required to fulfil their role.

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

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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 Finance Director. 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 Finance Director (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
- 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.

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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 2019 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 one was a Member and Trustee of The Merchant Taylors' Oxfordshire Academy Trust Limited, one who is a current Trustee of The Merchant Taylors' Oxfordshire Academy Trust Limited and one is a current Member and Trustee of The Merchant Taylors' Oxfordshire Academy Trust Limited as well as being a Governor of the school in the year.

Walter Bigg Foundation for Wallingford School is a registered charity that manages the assets of the former Wallingford Grammar School, founded in 1659 with a bequest by Walter Bigg. The charity makes grants from its net income towards providing items, services and facilities for Wallingford School and for young people resident in Wallingford, with a preference for past and present students attending Wallingford School. The Foundation has five trustees, of whom one was a Trustee of The Merchant Taylors' Oxfordshire Academy Trust Limited, one was a member of The Merchant Taylors' Oxfordshire Academy Trust Limited and one was Governor of the school in the year. Two other trustees had no formal link to the Trust.

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 Wallingford 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:

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- 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.

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 Trust leadership works with the governing bodies and leadership of its schools 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 2019 produced the following results:

Examination	% of Students 2016	% of Students 2017	% of Students 2018	% of Students 2019
GCSEs				
4 or above (A* - C)	79%	n/a	75%	75%
A2				
A* - B	54%	63%	57%	64%

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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, across a range of eight qualifying subjects. Our Progress 8 score of 0.31, shows that, on average, students achieve 0.31 of a grade higher in every one of their subjects compared to what they would achieve in an 'average' school.

Measure	2016	2017	2018	2019
Attainment 8	57	51	50	53
Progress 8	0.34	0.33	0.16	0.31

The Trust does not consider Progress 8 to be a reasonable measure of achievable progress, but a measure of compliance with current 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	2019
English	80%	81%	80%
Maths	84%	80%	83%
Grade 5 or above:			
English	70%	68%	70%
Maths	65%	65%	68%

Overall the School was again well above average nationally for A level results. This year we entered our largest cohort of students ever for A Levels and achieved our best ever A Level and Btec results. 100% of students passed and 66% achieved grade B or above. We also managed to sustain our commitment to allowing every one of our students who wants one a place at Wallingford Sixth Form and did not withdraw anyone because they were not heading towards impressive grades.

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 2019, %D*-D was 56% (2018:40%).

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

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both judged Outstanding. We are particularly pleased that the inspectors recognised the following qualities of our School:

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

As we said on our website when the new OFSTED report was published, in the Trustees' view, "Good is definitely the perfect fit for us". The Trustees and Governors have always been determined to do the best by our students, which includes ensuring they leave school with the best qualifications they can. This often 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 School during the academic years 2016/17, to 2018/19 are as follows:

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Pupil Numbers	Nov-17	Nov-18	Nov-19
Year 7	209	193	223
Year 8	194	212	193
Year 9	189	191	215
Year 10	192	189	188
Year 11	188	193	186
Year 12	138	135	131
Year 13	113	129	117
Total	1,223	1,242	1,253

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 Foundation where needed.
- School productions and concerts including "Fame" and a Spring Concert and Spring Dance Show.
- A dance workshop hosted by the James Cousins Company, funded by The Arts Society
- A fun run that raised £1,000 for local charity Brightwell Supporting Refugees
- A Christmas lunch for guests from Westgate House Care Home and Millcroft Assisted Living, organised by the 6th form.
- A visit by a Puma support helicopter from RAF Benson.
- 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 school continues to be lead by a head seconded from Wallingford School.

Government Headline measurements are strong based on starting points and progress is improving in all classes.

2019 data shows that 93% of the Year 6 cohort achieved the Expected standard in Reading, 83% in Maths, 87% in Grammar, Punctuation and Spelling and 73% in writing. All of these results are above the national average, with the exception of the writing (78%). The number of children achieving Greater Depth continues to rise. All scaled scores are above the national average. This is a strong set of results for this cohort, considering their experience further down the school.

Phonics results are in a similar position with an 87% pass rate and 89% of our Reception children achieved a Good Level of Development.

Our children now benefit from strong teaching in each class and an extensive enrichment programme that supports and extends the learning in the classroom.

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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.

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 £6.2m for the year (2018: £6.0m).

The total fund balances of the Trust at 31 August 2019, as detailed in note 17 to the financial statements, amounted to £6,827k (2018: £8,547k). Excluding the fixed asset fund (representing the net book value of fixed assets) of £10,219k and the pension deficit fund of £3,884k, fund balances amounted to £492k and are summarised as follows:

	£'000
GAG funds	-
School Sports Partnership funds	31
Other restricted income funds	62
Capital funds	125
General unrestricted funds	274
	<u>492</u>

The Trust made a net surplus in the year on its combined unrestricted and restricted general funds of £8k, excluding the impact of pensions accounting and restricted fixed asset funds. The surplus was managed within the parameters set by the Trustees' reserves policy. The surplus was generated despite the need to train teachers in the new public examination courses, to meet the needs of

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disadvantaged students for which there was insufficient Pupil Premium funding and repairs and improvements to meet Health & Safety requirements at Brightwell School.

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 £493k whilst the present value of the funded obligation increased by £2,029k. due to a change in financial assumptions. The discount rate assumption has been reduced from 2.8% to 1.9% (as this increases the value placed on benefits paid in the future). The discount rate used for the FRS102 reports is determined in line with accounting standard requirements which dictate the use of high quality corporate bond yields. 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 2019 the Trust had free reserves of £274,342 (2018: £313,798).

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Restricted reserves consist of grants given for specific purposes. The balance of unspent restricted reserves at 31 August 2019 was £92,585.

Restricted fixed asset funds comprise the net book value of fixed assets, that can only be realised by disposing of fixed assets, of £10,218,603, and unspent capital grants of £125,296. The balance on the Devolved Formula Capital grant, £30,621, is required by the terms of the grant to be spent in 2019/20. 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.

The Trust is very grateful to the Wallingford School Association and Friends of Brightwell School for their fundraising 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.

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 Staff conference held in October 2019, one of the Trust's key Teaching & Learning development events each year, focussed this year on students with special educational needs and disabilities (SEND). The keynote was "Inclusive High Quality Teaching (HQR) for SEND: What does it include?"

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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.

Auditor

The Merchant Taylors' Oxfordshire Academy Trust Limited appointed James Cowper Kreston to act as auditors on 11 July 2019.

Insofar as the Trustees are aware:

- There is no relevant audit information of which the trust'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 5 December 2019 and signed on the Board's behalf by:



Ian Domville
Chair of Trustees

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Merchant Taylors' Oxfordshire Academy Trust Limited 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 *	6	6
J Chilton	5	6
I Domville (Chair of Trustees)	5	5
K McCrea (resigned 12 December 2018)	2	2
J Pebworth * (appointed 13 December 2018)	3	4
G Stewart	2	3
A Wilcox	2	6
N Willis * (resigned 31.8.2019)	5	6

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.

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
H Carter (Chair)	3	3
J Chilton	3	3
I Domville	2	3
S Nicholls	3	3
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.

Purchasing:

1. Cashless catering: Wallingford School implemented cashless catering in July 2019. There have been some teething problems but the system appears to be working well. There has been an increase of 65% in takings for the month of September compared with last year.
2. 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 was extended to Brightwell School.

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

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 2018 to 31 August 2019 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 2018 to 31 August 2019 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 Finance & Audit 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 Trustees previously decided not to appoint an internal auditor and instead appointed Hampshire County Council's Educational Financial Services team to provide these services. They gave advice on financial matters and performed a range of checks on the Trust's financial systems. During the year they withdrew their service and so Critchley's were appointed to replace them in August. In the same month they conducted their first visit to audit the payroll system.

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.

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

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:

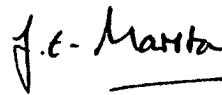
- The work of the internal audit service;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the internal control by the Finance & Audit 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 5 December 2019 and signed on its behalf by:



Ian Domville
Chair



John Marston
Accounting Officer

The Merchant Taylors' Oxfordshire Academy Trust Limited

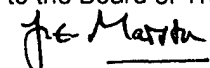
Annual report and financial statements for the year ended 31 August 2019

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Merchant Taylors' Oxfordshire Academy Trust Limited I have considered my responsibility to notify the Academy Trust's Board of Trustees and the Education & Skills Funding Agency (ESFA) 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 Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregularity or improper use of funds by the Academy Trust or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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



John Marston
Accounting Officer

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

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 2018 to 2019;
- 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;
- 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 5 December 2019 and signed on its behalf by:



Ian Domville
Chair

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

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

Opinion

We have audited the financial statements of The Merchant Taylors' Oxfordshire Academy Trust Limited ('the Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities Statement, the trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

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

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

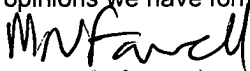
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Academy Trust's members, 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of
James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Communications Road
Greenham Business Park
Greenham
Newbury
RG19 6AB

Date:

18/12/2019

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

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

In accordance with the terms of our engagement letter dated 16 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by The Merchant Taylors' Oxfordshire Academy Trust Limited during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Merchant Taylors' Oxfordshire Academy Trust Limited 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 Limited 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 Limited and the ESFA, for our review work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Merchant Taylors' Oxfordshire Academy Trust Limited's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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 Limited

Annual report and financial statements for the year ended 31 August 2019

Independent Reporting Accountant's Assurance Report on Regularity to The Merchant Taylors' Oxfordshire Academy Trust Limited 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 other evidence made available to us, relevant to our consideration of regularity;
2. a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
3. testing a sample of payroll payments to staff;
4. testing a sample of payments to suppliers and other third parties;
5. testing a sample of grants received and other income streams;
6. evaluating the internal control procedures and reporting lines, and testing as appropriate; and
7. making appropriate enquiries of the Accounting Officer.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



James Cowper Kreston

2 Communications Road
Greenham Business Park
Greenham
Newbury
RG19 6AB

Date: 18/12/2019

Statement of Financial Activities
For the year ended 31 August 2019
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2019 £	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £
Income and endowments from:									
Donations and capital grants	2	3,688	192,950	102,150	298,788	30	308,537	30,663	339,230
Transfer from local authority on conversion		-	-	-	-	-	(62,958)	32,395	(30,563)
Charitable activities:									
Funding for the Academy Trust's educational operations	5	620,432	6,747,648	-	7,368,080	509,142	6,441,229	-	6,950,371
Other trading activities	3	96,368	-	-	96,368	94,637	-	-	94,637
Investments	4	2,693	-	-	2,693	2,026	-	-	2,026
Total income and endowments		723,181	6,940,598	102,150	7,765,929	605,835	6,686,808	63,058	7,355,701
Expenditure on:									
Raising funds	6	54,527	-	-	54,527	60,523	-	-	60,523
Charitable activities:									
Academy Trust educational operations	6,7	577,567	7,443,686	294,062	8,315,315	453,304	7,250,686	378,937	8,082,927
Total expenditure		632,094	7,443,686	294,062	8,369,842	513,827	7,250,686	378,937	8,143,450
Net income/ (expenditure)		91,087	(503,087)	(191,912)	(603,913)	92,008	(563,878)	(315,879)	(787,749)
Transfers between funds	17	(130,542)	73,268	57,274	1	(180,556)	133,869	46,687	-
Net (expenditure) / income for the year		(39,455)	(429,819)	(134,638)	(603,912)	(88,548)	(430,009)	(269,192)	(787,749)
Other recognised gains and losses									
Actuarial (loss)/gain in year for defined benefit pension schemes	27	-	(1,116,000)	-	(1,116,000)	-	1,071,000	-	1,071,000
Net movement in funds		(39,455)	(1,545,819)	(134,638)	(1,719,912)	(88,548)	640,991	(269,192)	283,251
Reconciliation of funds									
Funds brought forward at 1 September 2018		313,798	(2,245,596)	10,478,537	8,546,739	402,346	(2,886,587)	10,747,729	8,263,488
Funds carried forward at 31 August 2019	17	274,343	(3,791,415)	10,343,899	6,826,827	313,798	(2,245,596)	10,478,537	8,546,739

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

There was no other comprehensive income for 2019 (2018: £nil)

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

Balance sheet
As at 31 August 2019

Company number:
07727786

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	11		5,752		-
Tangible assets	12		10,212,850		10,416,112
Current assets					
Stock	13	2,444		3,026	
Debtors	14	291,606		280,392	
Investments	15	309,603		307,309	
Cash at bank and in hand	24	375,690		395,135	
		<u>979,343</u>		<u>985,862</u>	
Creditors: Amounts falling due within one year	16	(487,119)		(507,235)	
Net current assets			<u>492,224</u>		<u>478,627</u>
Total assets less current liabilities			10,710,826		10,894,739
Creditors: Amounts falling due after more than one year			-		-
Net assets excluding pension liability			<u>10,710,826</u>		<u>10,894,739</u>
Pension scheme liability	27		(3,884,000)		(2,348,000)
Net assets including pension liability			<u>6,826,826</u>		<u>8,546,739</u>
Funds of the academy:					
Restricted fixed asset funds	17	10,343,899		10,478,537	
Restricted income fund	17	92,585		102,404	
Pension reserve	17	(3,884,000)		(2,348,000)	
Total restricted funds			6,552,485		8,232,941
Unrestricted funds					
General funds	17	274,343		313,798	
Total unrestricted income funds			274,343		313,798
Total funds			<u>6,826,827</u>		<u>8,546,739</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 5 December 2019.

Signed on behalf of the Board of Trustees



Ian Domville
Chair of Trustees

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

Statement of Cash Flows For the year ended 31 August 2019

	Notes	2019 £	2018 £
Cashflows from operating activities			
Net cash provided by / (used in) operating activities	21	(26,879)	103,041
Cashflows from financing activities	22	2,693	2,026
Cashflow from investing activities	23	7,035	(92,782)
Change in cash and cash equivalents in the year		(17,151)	12,285
Cash and cash equivalents at 1 September 2018		702,444	690,159
Cash and cash equivalents at 31 August 2019	24	685,293	702,444

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

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

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 2018 to 2019 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 and have concluded that there is no material misstatement.

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 they are expended.

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 and when the receipt can be measure reliably.

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

Statement of Accounting Policies (continued)

Donations

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

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 the 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 when there is a legal or constructive obligation to transfer economic benefit and when the amount can be measured reliably. Expenditure 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.

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

Statement of Accounting Policies (continued)

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 12 for further details).

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Long-term leasehold land	Over the term of the lease
Long-term leasehold property	2 % per annum on cost (buildings only)
Fixtures, fittings and equipment	5 years
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."

Investments

In accordance with SORP 2015 [paragraphs 10.41 to 10.56], investments are carried at fair value.

Cash held on deposit is classified as an investment on the balance sheet.

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

Statement of Accounting Policies (continued)

Stock

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

Taxation

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

Pensions Benefits

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

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

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.

The Merchant Taylors' Oxfordshire Academy Trust Limited

Annual report and financial statements for the year ended 31 August 2019

Statement of Accounting Policies (continued)

Liabilities - Creditors

All amounts owed, accrued or deferred by the academy trust are included under this balance sheet heading at their settlement amount (being the amount the academy trust expects to pay to settle the debt). We do not have amounts falling due after more than one year (2018: Nil)

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 2018. 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.

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.

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."

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 assumed that sufficient funding will be received from the ESFA.

The Merchant Taylors' Oxfordshire Academy Trust Ltd
Notes to the financial statements
For the year ended 31 August 2019

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
DfE/ESFA capital grants				
Devolved formula capital grant	-	102,150	102,150	30,663
	-	102,150	102,150	30,663
Other grants and donations	3,688	192,950	196,638	308,567
	3,688	295,100	298,788	339,230

3 Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Community leisure and other lettings	96,368	-	96,368	94,637
	96,368	-	96,368	94,637

4 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Short-term deposit interest	2,295	-	2,295	1,692
Bank interest	398	-	398	334
	2,693	-	2,693	2,026

5 Funding for Academy Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	6,214,277	6,214,277	6,047,519
Other DfE grants	-	281,680	281,680	221,880
	-	6,495,957	6,495,957	6,269,399
Other Government grants				
Local authority grants	-	251,691	251,691	171,115
	-	251,691	251,691	171,115
Other income for educational operations				
Trips and activities income	373,327	-	373,327	252,312
Uniform sales	5,821	-	5,821	9,839
Catering income	155,913	-	155,913	158,004
Other educational income	85,371	-	85,371	89,702
	620,432	-	620,432	509,857
	620,432	6,747,648	7,368,080	6,950,371

The Merchant Taylors' Oxfordshire Academy Trust Ltd
Notes to the financial statements
For the year ended 31 August 2019

6 Expenditure

	Staff Costs £	Premises Costs £	Other Costs £	Total 2019 £	Total 2018 £
<i>Costs of activities for raising funds</i>	37,106	14,169	3,252	54,527	60,523
<i>Academy Trust's educational operations</i>					
Direct costs (note 7)	4,898,080	-	927,596	5,825,676	5,510,658
Allocated support costs (note 7)	1,386,325	361,867	741,447	2,489,639	2,572,270
	<u>6,284,405</u>	<u>361,867</u>	<u>1,669,043</u>	<u>8,315,315</u>	<u>8,082,928</u>

Income and expenditure for the year include:

	2019 £	2018 £
Operating leases: Plant and equipment	15,404	15,404
Fees payable to auditor:		
Governance: Audit	8,600	8,100
Educational operations: Other services	<u>800</u>	<u>800</u>

7 Charitable Activities - Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<i>Direct costs</i>				
Teaching and educational support staff costs	-	4,898,080	4,898,080	4,729,866
Educational supplies and trip costs	373,327	346,742	720,069	590,517
Examination fees	-	131,067	131,067	110,979
Staff development	-	72,434	72,434	76,051
Other direct costs	-	4,026	4,026	3,245
	<u>373,327</u>	<u>5,452,349</u>	<u>5,825,676</u>	<u>5,510,658</u>
<i>Allocated support costs</i>				
Support staff costs	-	582,391	582,391	578,335
Depreciation	-	292,624	292,624	378,937
Amortisation	-	1,438	1,438	-
Recruitment and support	-	34,138	34,138	25,496
Maintenance (inc. staff costs)	-	395,753	395,753	357,581
Cleaning	-	135,058	135,058	126,624
Rent, rates and other utilities	-	146,105	146,105	138,368
Catering costs (inc. staff costs)	204,240	-	204,240	200,992
Insurance	-	34,631	34,631	35,434
IT costs	-	40,489	40,489	122,475
Photocopier and stationery costs	-	15,314	15,314	25,604
Consultancy and other professional fees	-	117,810	117,810	103,664
Other pension costs	-	352,000	352,000	299,000
Other finance costs (FRS102 pension)	-	68,000	68,000	82,000
Other support costs	-	59,760	59,760	69,966
Governance costs	-	9,888	9,888	27,794
	<u>204,240</u>	<u>2,285,399</u>	<u>2,489,639</u>	<u>2,572,270</u>
Total	<u>577,567</u>	<u>7,737,748</u>	<u>8,315,315</u>	<u>8,082,928</u>

The Merchant Taylors' Oxfordshire Academy Trust Ltd
Notes to the financial statements
For the year ended 31 August 2019

8 Staff Costs

	2019	2018
	£	£
Staff costs for the period were:		
Wages and salaries	4,684,367	4,517,152
Social security costs	434,186	419,007
Operating costs of defined benefit pension schemes	1,148,111	703,657
	<u>6,266,664</u>	<u>5,639,816</u>
Agency supply teacher costs	54,847	38,353
	<u>6,321,511</u>	<u>5,678,169</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:

	2019	2018
	No.	No.
Staff Numbers		
Teachers	69	68
Administration and support	59	61
Management	10	9
	<u>138</u>	<u>138</u>

Higher paid staff

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

	2019	2018
	No.	No.
£60,001 - £70,000	2	-
£90,001 - £100,000	1	1

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 £456,225 (2018: £419,859).

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:

		2019	2018
		£	£
N Willis, Headteacher and Trustee	Remuneration	£95k-£100k	£95k-£100k
	Employer's pension contributions	£15k-£20k	£15k-£20k

During the year ended 31 August 2019, no expenses were reimbursed to Trustees (2018: £nil).

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

The Merchant Taylors' Oxfordshire Academy Trust Ltd
Notes to the financial statements
For the year ended 31 August 2019

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 2019 and 31 August 2018 is not separately identified in the annual contribution made to the Arrangement.

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

11 Intangible Fixed Assets

	Computer Software £	Total £
Cost		
At 1 September 2018	-	-
Additions	7,190	7,190
At 31 August 2019	<u>7,190</u>	<u>7,190</u>
Amortisation		
At 1 September 2018	-	-
Charge in year	(1,438)	(1,438)
At 31 August 2019	<u>(1,438)</u>	<u>(1,438)</u>
Carrying amount		
At 31 August 2019	<u>5,752</u>	<u>5,752</u>
At 31 August 2018	<u>-</u>	<u>-</u>

12 Tangible Fixed Assets

	Leasehold Buildings £	Leasehold Land £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2018	6,887,503	5,753,473	271,710	216,559	54,330	13,183,575
Additions	-	-	77,659	11,704	-	89,363
At 31 August 2019	<u>6,887,503</u>	<u>5,753,473</u>	<u>349,369</u>	<u>228,263</u>	<u>54,330</u>	<u>13,272,938</u>
Depreciation						
At 1 September 2018	1,417,112	949,128	143,069	208,305	49,850	2,767,463
Charges in year	187,466	40,715	52,566	10,757	1,120	292,624
At 31 August 2019	<u>1,604,578</u>	<u>989,843</u>	<u>195,635</u>	<u>219,062</u>	<u>50,970</u>	<u>3,060,088</u>
Net book values						
At 31 August 2019	<u>5,282,925</u>	<u>4,763,630</u>	<u>153,734</u>	<u>9,201</u>	<u>3,360</u>	<u>10,212,850</u>
At 1 September 2018	<u>5,470,391</u>	<u>4,804,345</u>	<u>128,641</u>	<u>8,254</u>	<u>4,480</u>	<u>10,416,112</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.

The useful economic life of the long-term leasehold land has been re-assessed during the year. This has had the impact of reducing the annual depreciation by £110,010 and increasing the land carrying value by the same amount in the current year.

The Merchant Taylors' Oxfordshire Academy Trust Ltd
Notes to the financial statements
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13 Stock

	2019 £	2018 £
Uniform stock	2,444	3,026
	<u>2,444</u>	<u>3,026</u>

14 Debtors

	2019 £	2018 £
Trade debtors	100,252	3,941
Prepayments and accrued income	120,070	225,921
Other debtors	71,284	50,530
	<u>291,606</u>	<u>280,392</u>

15 Investments

	2019 £	2018 £
Short-term cash deposit	309,603	307,309
	<u>309,603</u>	<u>307,309</u>

16 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	167,376	106,817
PAYE and NIC creditor	107,969	104,311
Other creditors	120,278	93,719
Accruals and deferred income	91,496	202,388
	<u>487,119</u>	<u>507,235</u>

Deferred income

	2019 £	2018 £
Deferred income at 1 September	120,070	57,599
Resources utilised in year	(120,070)	(57,599)
Resources deferred in the period	37,754	120,070
Deferred income at 31 August	<u>37,754</u>	<u>120,070</u>

Deferred income relates to grant income received in advance for the development of plans for a new block of classrooms on the Wallingford School site, SEN Top Up funding and the Sports Games Organiser post.

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

	Balance at 1 September 2018 £	Incoming Resources £	Resources Expended £	Gains/losses & transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	6,214,277	(6,344,231)	129,953	-
Pupil Premium funding	-	118,890	(118,890)	-	-
Other DfE funding	4,952	162,790	(156,620)	-	11,122
Local Authority funding	-	251,691	(202,700)	(48,991)	-
Walter Bigg Trust	3,354	83,212	(78,813)	(5,383)	2,370
Wallingford School Foundation	10,384	11,150	(21,090)	-	444
Merchant Taylors'	9,629	70,400	(71,758)	-	8,271
School Associations	17,761	-	-	(2,311)	15,450
Partnership of schools funds	12,912	-	-	-	12,912
Go4It funds	279	-	-	-	279
Momenta/School Sports Partnership	32,561	24,905	(26,301)	-	31,165
Other restricted funding	740	3,283	(3,283)	-	740
Special purposes restricted balances	9,832	-	-	-	9,832
Pension reserve (note 27)	(2,348,000)	-	(420,000)	(1,116,000)	(3,884,000)
	(2,245,596)	6,940,598	(7,443,686)	(1,042,732)	(3,791,415)
Restricted fixed asset funds					
Capital funds transferred on conversion	45,684	-	-	-	45,684
Devolved formula capital grant	16,741	102,150	-	(88,270)	30,621
Fixed asset fund (note 11)	10,416,112	-	(294,062)	96,553	10,218,603
Additional LA Grant funding carried forward	-	-	-	48,991	48,991
	10,478,537	102,150	(294,062)	57,274	10,343,899
Total restricted funds	8,232,941	7,042,748	(7,737,748)	(985,458)	6,552,484
Unrestricted funds					
Unrestricted funds	313,798	723,181	(632,094)	(130,542)	274,342
Total unrestricted funds	313,798	723,181	(632,094)	(130,542)	274,342
Total funds	8,546,739	7,765,929	(8,369,842)	(1,115,999)	6,826,826

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 2019.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2019	Total 2018
	£	£	£	£	£
Brightwell School	(1,648)	11,572	31,886	41,810	22,771
Wallingford School	279,149	81,013	10,312,013	10,672,175	10,871,788
Central Trust reserve	(3,159)	-	-	(3,159)	179
	274,342	92,585	10,343,899	10,710,826	10,894,738
Pension reserve		(3,884,000)		(3,884,000)	(2,348,000)
	274,342	(3,791,415)	10,343,899	6,826,826	8,546,738

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

	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	-
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: Astro turf 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	8,546,738

The Merchant Taylors' Oxfordshire Academy Trust Ltd
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18 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Intangible fixed assets	-	-	5,752	5,752
Tangible fixed assets	-	-	10,212,850	10,212,850
Current assets	810,453	92,585	76,305	979,343
Current liabilities	(487,119)	-	-	(487,119)
Pension Scheme liability	-	(3,884,000)	-	(3,884,000)
Total net assets	323,334	(3,791,415)	10,294,907	6,826,826

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	-	-	10,416,112	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

19 Capital commitments

There were no capital commitments contracted for, but not provided in the 2019 financial statements (2018: nil)

20 Financial commitments

Operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	42,625	16,185
Amounts due between one and five years inclusive	35,852	25,872
Amounts due after five years	-	-
	78,477	42,057

The Merchant Taylors' Oxfordshire Academy Trust Ltd
Notes to the financial statements
For the year ended 31 August 2019

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

	2019	2018
	£	£
Net (expenditure) for the year	(603,912)	(787,749)
Depreciation (note 11)	292,624	378,937
Capital grants from DfE	(102,150)	(30,663)
Interest receivable (note 4)	(2,693)	(2,026)
FRS102 pension costs less contributions payable (note 27)	352,000	299,000
FRS102 pension other finance charges (note 27)	68,000	82,000
Effect of transfer in of Brightwell School	-	85,000
Decrease/(increase) in stock	582	5,216
(Increase) in debtors	(11,214)	(32,853)
(Decrease) in creditors	(20,116)	106,179
Net cash (used in)/provided by operating activities	(26,879)	103,041

22 Cashflows from financing activities

	2019	2018
	£	£
Interest received	2,693	2,026
Net cash provided by financing activities	2,693	2,026

23 Cashflow from investing activities

	2019	2018
	£	£
Purchase of tangible fixed assets	(89,363)	(123,445)
Purchase of intangible fixed assets	(5,752)	-
Capital grants from DfE	102,150	30,663
Net cash provided by/(used in) investing activities	7,035	(92,782)

24 Analysis of cash and cash equivalents

	At 31 August 2019	At 31 August 2018
	£	£
Cash at bank and in hand	375,690	395,135
Notice deposits (less than 3 months)	309,603	307,309
Total cash and cash equivalents	685,293	702,444

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 £90,382 were payable to the schemes at 31 August 2019 (2018: £86,877) 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 TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. A new valuation of the TPS has been undertaken based on April 2016 data, whereupon the employer contribution rate has been reassessed and 23.68% is payable from 1 September 2019.

The pension costs paid to TPS in the period amounted to £494,918 (2018: £484,283).

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 2019 was £305,000 (2018: £292,000) of which employer's contributions totalled £231,000 (2018: £221,000) and employees' contributions totalled £74,000 (2017: £71,000). 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 2019 contributions to the past service deficit were £44,417 (2018: £43,417).

Principal Actuarial Assumptions

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.80%	3.50%
Rate of increase for pensions in payment / inflation	2.30%	2.30%
Discount rate for scheme liabilities	1.90%	2.80%
Inflation assumption (CPI)	2.30%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

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

Sensitivity Analysis

Change in assumptions at 31 August 2019:

	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	13%	1,048,000
0.5% increase in Salary Increase Rate	2%	192,000
0.5% increase in Pension Increase Rate	11%	830,000

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 2019	At 31 August 2018
<i>Retiring today</i>		
Males	22.7	23.4
Females	24.3	25.5
<i>Retiring in 20 years</i>		
Males	24.0	25.7
Females	25.7	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 2019 £	Fair value at 31 August 2018 £
Equities	2,751,030	2,445,800
Gilts	837,270	593,980
Property	239,220	279,520
Cash	159,480	174,700
Total fair value of assets	3,987,000	3,494,000

The actual return on scheme assets was £211,000 (2018: £220,000).

Amounts recognised in the statement of financial activities

	2019 £	2018 £
Service cost (net of employee contributions)	583,000	520,000
Net interest cost	68,000	82,000
Total operating charge	651,000	602,000

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:

	2019 £	2018 £
At beginning of period	5,842,000	5,892,000
Current service cost	450,000	520,000
Interest cost	170,000	164,000
Employee contributions	74,000	71,000
Change in financial assumptions	1,750,000	(933,000)
Estimated benefits paid net of transfers in	(23,000)	(20,000)
Past Service cost	133,000	-
Change in demographic assumptions	(525,000)	-
Effect of transfer in of Brightwell School	-	148,000
At 31 August	<u>7,871,000</u>	<u>5,842,000</u>

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

	2019 £	2018 £
At beginning of period	3,494,000	2,939,000
Interest on assets	102,000	82,000
Return on assets less interest	109,000	138,000
Employer contributions including unfunded	231,000	221,000
Employee contributions	74,000	71,000
Estimated benefits paid net of transfers in	(23,000)	(20,000)
Effect of transfer in of Brightwell School	-	63,000
At 31 August	<u>3,987,000</u>	<u>3,494,000</u>

Reconciliation of opening and closing deficit

	2019		2018	
	£	£	£	£
Pension deficit at beginning of period		(2,348,000)		(2,953,000)
Current & past service cost	(583,000)		(520,000)	
Employer contributions	<u>231,000</u>		<u>221,000</u>	
Additional pension cost		(352,000)		(299,000)
Other finance costs		(68,000)		(82,000)
Effect of transfer in of Brightwell School		-		(85,000)
Actuarial gains/(losses)		<u>(1,116,000)</u>		<u>1,071,000</u>
Pension deficit at 31 August		<u>(3,884,000)</u>		<u>(2,348,000)</u>

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 2018	Year ended 31 March 2018
	£	£
Aggregate amount of assets, liabilities & funds	237,708	4,947,953
Gross income	11,959	88,114
Expenditure	(10,700)	(115,599)
Surplus/(deficit) for the year	1,259	(27,485)

30 Agency Arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the year ended 31 August 2019 the Trust received £16,472 and disbursed £6,182 from the fund. An amount of £14,352 is included in other creditors relating to undistributed funds that is repayable to ESFA.