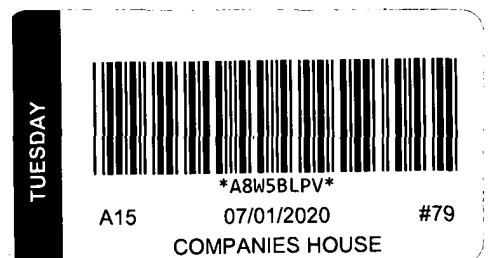


MacIntyre Academies

(a company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2019



Company Registration Number: 08334745 (England and Wales)

Contents

Item	Page
Reference and Administrative Details	1
Trustees' Report	2 to 11
Governance Statement	12 to 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report on the Financial Statements	17 to 19
Independent Reporting Accountant's Report on Regularity	20 to 21
Statement of Financial Activities Incorporating Income & Expenditure Account	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 to 43

Reference and Administrative Details

Members	Neil Macmillan Martin Zahra MacIntyre Care Denise Cockrem (Independent member)
Trustees	Neil Macmillan (Chair) Martin Zahra Shaun Temple Brown Sarah Burslem Charlotte May Anthony Greenwood MBS
Company Secretary	Claire Toombs
Senior Management Team: Chief Executive Officer Accounting Officer Principal (Endeavour Academy) Principal (Discovery Academy) Principal (Quest Academy)	Rachelle Russell Claire Toombs Coral Romain Matthew Pike Nicola Wells
Principal and Registered Office	602 South Seventh Street Milton Keynes Buckinghamshire MK9 2JA
Company Registration Number	08334745 (England and Wales) Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	HSBC 12 Allhallows Bedfordshire MK40 1LJ
Solicitors	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB Altor Employment Solicitors 500 Avebury Boulevard Central Milton Keynes MK9 2BE

MacIntyre Academies Trustees' Report For the year ended 31 August 2019

MacIntyre Academies operates three special academies; one in Oxfordshire and two in Warwickshire. Its academies have a combined pupil capacity of 209 and had a roll of 207 in the most recent school census on 31 October 2019.

The Trustees present their annual report together with the financial statements and auditors' report for the period ended 31 August 2019. The annual report serves the purpose of both a Trustees' report and a Directors' report under company law.

Structure, Governance and Management

Constitution

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

The Trustees act as the governors for the charitable activities of MacIntyre Academies and are also the Directors of the company for the purpose of company law. Details of the Governors who served throughout the period, except as noted, are included in the Reference and Administrative details on page 1. The terms Governors, Trustees and Directors are interchangeable within this report.

Members' Liability

MacIntyre Academies is a multi-academy Trust that has 4 Members. The sponsor MacIntyre Care has appointed two Members, Neil Macmillan and Martin Zahra. The third Member is MacIntyre Care itself as a corporate Member and the fourth is an independent Member, Denise Cockrem.

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

Governors' Indemnities

MacIntyre Academies purchases governors' liability insurance through the Department for Education Risk Protection Arrangement (RPA) which forms part of the academy insurance policy.

Method of Recruitment and Appointment of Trustees

During this period the Trust Board structure comprised two sponsor appointed Trustees, three independent appointed Trustees, and the CEO of the sponsor MacIntyre Care. Members of the Trust Leadership Group (TLG) attended Trustee meetings as required.

Recruitment of new Trustees is precipitated by the development of a clear specification of the skills required. The role is advertised in governance forums, professional networks, or individuals who have the skills required are approached by existing Trustees. Interested parties will submit a CV for consideration by the Chair of the Board. If candidates meet the profile required, they will be invited to attend an interview, and to also meet with representatives of the sponsor, MacIntyre Care, before being officially nominated for approval by the Board.

Policies and Procedures for the Induction and Training of Trustees

All new Trustees receive an induction covering their Trust Board responsibilities delivered by the Trust in conjunction with the Sponsor. The tailored induction for new Trustees provides a comprehensive understanding of the Trust, the Sponsor, the MacIntyre Academies vision, mission, ethos and approach. It also encompasses its operational structure and the responsibilities of both Trustees and Local Advisory Board (LAB) members. The Trust Board is a member of the National Governors Association and uses its resources to create training for all new Trust Board and LAB members.

MacIntyre Academies Trustees' Report For the year ended 31 August 2019

Organisational Structure

The Trustees set policy and the strategic direction of the Trust defined through the Trust's 5 Year Strategic Plan. They approve all investment, the annual operating budget and monitor performance against the business plan and budget. The Trustees also have oversight of the Academies' self-evaluation and school improvement plans and take major decisions about the leadership of academies and the growth of the academy Trust as a whole.

In addition, the Trust Board delegates to the Audit & Risk Committee to focus in detail on finance, risk, health & safety and safeguarding. The Committee is chaired by Shaun Temple Brown.

The Trust Board has approved a detailed leadership and meeting schedule, which creates an operating structure to enable the TLG to feed into the LABs and Trust Board effectively. A detailed scheme of delegation clarifies ownership of strategic and operational decision making at the different levels of governance.

Each Academy has a Local Advisory Board, which acts as a local committee that provides local challenge and scrutiny of the academy self-evaluation and school improvement plan. We aim for LABs to have a least two parent representatives, two staff representatives and local community members including representatives from business, education, health and social care fields. The LABs carry out termly risk management self-evaluations according to the risk management policy and the outcomes are reported to the main Trust Board.

The Trust Board delegates day to day running of the Trust's academies to its Chief Executive Officer who line manages the Academy Principals and oversees the provision of central support functions to its Academies. The day to day running of each Academy is delegated to its Principal.

Claire Toombs, Company Secretary, holds the position of Accounting Officer, ensuring regularity, propriety and value for money.

Key Management Personnel

The key management personnel are the senior management team listed on page 1. In the last period the Coral Romain, Principal for Endeavour Academy left MacIntyre Academies Trust and in January 2019 was replaced with Michaela Soporova.

Remuneration for key management personnel is set through benchmarking within the sector. The Trustees set the remuneration for the Chief Executive Officer. As a small trust, MacIntyre Academies employs consultants who fulfil key roles where the central support functions have a skills gap.

The Remuneration Committee approves pay progression which is linked to performance. The Audit & Risk Committee monitors the pay progression process.

Trade Union Facility Time

There are currently no MacIntyre Academies employees who are relevant trade union officials.

Connected Organisations, including Related Party Transactions

MacIntyre Care is a Member of the academy and offers assistance with expertise and resources. MacIntyre Care is a national charity that supports children and adults with learning disabilities through provision of care, support and education services.

**MacIntyre Academies
Trustees' Report
For the year ended 31 August 2019**

Objects and Activities

Objects

The purpose of MacIntyre Academies is to develop and manage schools for children who would not otherwise be in full or part-time education due to illness and/or exclusion. For those who need an Alternative Provision, or to be education in an academy for pupils with Special Educational Needs. All of the Trust activity over the last period has been in the pursuit of this aim.

Secondly it is to provide local inhabitants in need with facilities for recreation or leisure time, with the object of improving their condition of life.

Aims

The Trust's main aim during the period was to prepare the Trusts' third academy, Quest Academy for their first Ofsted inspection, and to support the move from their temporary site to their permanent school site in August 2019. Our aim was to achieve this while continuing to develop Endeavour Academy and Discovery Academy following their successful Ofsted inspections in 2017 and 2018 respectively.

Objectives, Strategies and Activities

The Trust's main six objectives during the period under review were as follows:

1. To build on the good Ofsted outcome at Endeavour Academy, fully embedding their new curriculum and assessment methodology. We also wanted to ensure continued good care inspection outcomes. We have been highly successful with both of these aims which were measured through self-assessment and subsequent regulatory care inspection which have validated our judgements that our provision continues to produce good outcomes for young people.
2. To build on the good Ofsted outcome at Discovery Academy. To grow Discovery Academy's pupil number to 90. The success is measured through self-assessment and pupil census numbers. We have maintained a good quality of education and outcomes for young people have continued to be at least good and for many outstanding.
3. To support Quest Academy through the project management of their permanent school site in Rugby, and to support the transition from temporary to permanent site in August 2019, which has been achieved. The new school is a fully fit for purpose building with great facilities to support special education learning. We lowered the age of entry to year 3 and increase the pupil allocation number to 100. This was subsequently approved by the Regional Schools Commissioners Head Teacher Panel in May 2019 so we can now support many more children in need to high quality special education. Finally, to ensure that we continue on a trajectory to providing outstanding education. The success of this is measured through self-assessment and the Department for Education quality monitoring visits.
4. To develop our practice and cross school learning in behavioural and pastoral support for young people with SEN. The success was measured through a reduction in restrictive physical intervention across all schools of between 30 and 61 percent. This is a huge achievement given the complexity of social emotional and mental health needs of our young people, and how many have been out of education for significant periods of their lives.
5. To continue to develop cross school learning and quality assurance, leading to accelerated school improvement. The success was measured through internal stakeholder feedback. We now have a network of peer support which has resulted in internal moderation, shared learning and significant review of quality assurance policy and procedures.
6. To continue to provide excellent learning and care environments for our young people. This was achieved through the approval of a £640k capital expenditure and investment budget. Significant building projects were undertaken at all schools both internally and externally, enhancing our learning environments.

MacIntyre Academies
Trustees' Report
For the year ended 31 August 2019

Public Benefit

MacIntyre Academies receives the majority of its income from the Department for Education and Local Authorities (SEND top-up) to provide educational services to children and to ensure a broad and balanced curriculum. The Trustees of MacIntyre Academies have given due regard in exercising their duties with regard to the guidance on public benefit published by the Charity Commission and are satisfied that they meet the public benefit criteria as requested by section 17 of the Charities Act 2011.

MacIntyre Academies
Trustees' Report
For the year ended 31 August 2019

Strategic Performance

Achievements and Performance

The aims and objectives that have been set for all schools are:

- To achieve at least 93% attendance.
- To meet or exceed the expected number of pupils on the role.
- To achieve a Good outcome during Ofsted inspection within 3 years of opening.
- For pupils to meet or exceed their progress targets (the curriculum areas are different between the schools).

Academy	At a glance
Endeavour	<ul style="list-style-type: none"> • Opened September 2014 • 30 pupils • Pupil attendance 93.8% • Achieved Good outcomes during Ofsted inspections of the Children's Home in both September 2018 and November 2019. • Achieved a Good outcome during Ofsted school inspection in September 2018
Discovery	<ul style="list-style-type: none"> • Opened September 2015 • 94 pupils • Pupil attendance 81.05% • Ofsted rated the school Good in July 2018.
Quest	<ul style="list-style-type: none"> • Opened September 2017 • 85 pupils • Pupil attendance 89.42% • DfE quality monitoring visits have confirmed that the school is on course to be rated as Good in 2019/20.

MacIntyre Academies
Trustees' Report
For the year ended 31 August 2019

Endeavour Academy

The academy has maintained the number of pupil places as the school is now at capacity.

With the validation of the Rochford Report, 2016, Endeavour Academy are no longer measuring progress against the national curriculum academic areas. Instead they are assessing progress using an ipsative approach, and all pupils are making expected progress. Due to the individualised nature of our target setting it is not possible or appropriate to report on progress tables as with the other schools in the Trust.

The school achieved a Good outcome during their Ofsted inspection in May 2017. Since this time School Improvement consultants have validated the SEF judgement that quality remains good. We are working to evidence outstanding outcomes in line with the new school inspection framework.

The children's home on site also achieved a Good outcome during their Ofsted inspection in September 2018 and again in November 2019.

Discovery Academy

Discovery started the autumn 2019 term with 94 pupils on the role, 14 more than their anticipated maximum capacity.

In July 2018 Ofsted inspected the school and awarded Discovery Academy a Good rating. Since this time School Improvement consultants have validated the SEF judgement that quality remains good.

Attendance is currently at 81.01%. Where pupils' attendance is below target there is evidence that this is improving on a case by case basis, or solid action plans for improvement are in place.

The academic results are as follows:

2018-19	Below Expected Progress	Expected Progress	Better than expected progress
English	54%	18%	28%
Maths	53%	8%	39%
Science	46%	10%	44%

Expected progress targets are set in line with the Improvement trajectory established from previous data drops. For young people at Discovery Academy who have been with us for a number of years the speed of progress has slowed hence some making less than 'expected progress', analysis at individual level does however demonstrate that for the vast majority they are either working at age related expectation, or are closing the gap between previous assessed achievement levels and age related expectations.

MacIntyre Academies
Trustees' Report
For the year ended 31 August 2019

Quest Academy

The school had 55 pupils in September 2018 and by September 2019 this had increased to 85 pupils. Their attendance to date has been 89.42%, below the national target of 93%. Where pupils' attendance is below target it is still improving on a case by case basis, or solid action plans for improvement are in place.

The academic results are as follows:

2018-2019	Below Expected Progress	Expected Progress	Better than expected progress
English	1.27%	2.22%	96.15%
Maths	1.59%	1.59%	96.83%
Science	4.13%	4.76%	91.11%

Quest Academy has a high number of new learners who have been out of education for significant periods of time. The data above relates to learner progress compared to previous progress rates before they attended Quest Academy, this is often measured against attainment results from the end of their last Key Stage. Due to the level of support and educational interventions progress accelerates significantly when young people enrol at Quest Academy, for this reason the data shows significant progress. It is anticipated that progress rates will slow over time as young people progress and their attainment levels near age related expectation.

MacIntyre Academies

Trustees' Report

For the year ended 31 August 2019

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key Financial Performance Indicators and Financial Review

Each academy operated within the revenues received from the Education and Skills Funding Agency and Local Authorities top up and short breaks funding individually allocated to each child.

MacIntyre Academies had net income on general funds of £633,355 (2018: £613,240) during the year. Fixed asset fund expenditure during the year was £213,245 (2018: £178,881).

The Trust has £2,435,301 (2018: £1,988,002) in revenue reserves as at the Balance Sheet date. There is a capital expenditure and investment plan in place with a total value of £456,700 for 2019/20, these projects will be funded from the MAT reserves. The total capital expenditure approved by the Board for 2018/19 was £617,000. Capital expenditure plans for 2018/19 were delayed due to works in school buildings being undertaken and funded by partner agencies. Actual spend was £277,000.

Building condition surveys undertaken in May 2019 at Discovery and Endeavour Academies identified £630,570 of works to be undertaken over the next 5 years. This value is covered by reserves. Quest Academy's new building will be surveyed in 2019/20 resulting in projected costs for this site.

The liability arising from obligations to the pension benefit scheme is £2,239,000. This value is covered by reserves.

Reserves Policy

It is the policy of MacIntyre Academies Trust to ensure the progress and growth of its academies and to support the capacity building needs required to implement the Trust's business plan. The Trust has used carry forward resources from the restricted and unrestricted funds to support capacity building, cover the medium and long term needs for the renewal of buildings, furnishings and equipment, and major improvement projects. In addition we have built up reserves for unforeseen contingencies across our Academy Schools. The Department for Education has not set a limit to the amounts which can be carried forward.

At 31 August 2019 the Trust had generated total funds which amounted to £16,166,339 consisting of a deficit of £2,239,000 in pension reserve; a surplus in restricted general funds of £2,374,754; a surplus in unrestricted funds of £60,547; and £15,970,038 in restricted fixed asset funds representing the net book value of fixed assets held by the trust. As identified above there is a capital expenditure and investment plan of £456,700 for 2019/20 which will be funded from the MAT reserves.

Investment Policy

The Trustees have considered the most appropriate policy for investing funds and have decided to place funds in cash deposits on fixed and short term arrangements to meet the requirements of the Trust's cash flow.

Principal Risks and Uncertainties

The Trust Board has an Audit and Risk Committee which has now been established for two years and is fully embedded. The Committee is authorised by the Board to have a lead role in governance for Finance, Safety and Regulatory Compliance.

The Trust has a Risk Register. The Register is used to identify all the potential key risks that the academy trust may be exposed to overtime. According to the Trust's risk management policy, each academy's LAB undertakes a risk management self-evaluation each term which informs the Trust's overall risk register. The

MacIntyre Academies Trustees' Report For the year ended 31 August 2019

Senior Executive Lead and TLG monitor the policies, procedures and systems developed to manage these risks. MacIntyre Academies Trust and its individual academies have business continuity plans.

The Trust has identified the following key risks and mitigating strategies:

Ofsted Compliant

It is essential for each Academy to achieve at least a 'Good' rating through Ofsted educational and care inspections. The Trustees monitor performance regularly through reports received from the TLG and the scrutiny undertaken at each of the LABs.

In addition, the Principals at the Academies work in partnership with school improvement partners and care improvement partners.

Financial Risk

With pressure on education funding, it is essential to secure pupil numbers at each academy in order to offer the resources needed to deliver the learning and quality curriculum. It is a particular risk when new academies open with small pupil numbers in early years. The Trust has negotiated agreements with local authority funders to ensure set up funding during set up phase.

The Trustees recognise the financial risk as the academy trust grows and it is essential to secure sufficient funding to cover set up costs and to build capacity within the central support functions to ensure all academies area supported effectively. The Trust has negotiated on each new academy set up to ensure sufficient funds are available.

Safeguarding

Safeguarding will always remain of the highest priority for any academy and ensuring all alerts are managed to the highest quality and in a timely fashion. The Trust has a detailed safeguarding policy and all staff are trained annually.

The Trust created an Audit & Risk committee in 2017 under the chairmanship of Shaun Temple Brown. The committee have met on three occasions during 2018/19 and the agreed terms of reference for the committee include review and scrutiny of risk register, financial performance and quality and compliance across the Trust.

Fundraising

Charitable funds are raised for the Trust by the Sponsor, MacIntyre Care, and as such they monitor fundraising activity. All fund raising is carried out in a manner that meets recognised standards. There have been no fundraising complaints to date and efforts to raise funds are solely through application for grants.

Plans for the next period include:

- To build on the quality of education at Quest Academy so that they achieve a good outcome during their Ofsted inspection in 2019/20.
- To maintain pupil numbers at Endeavour and Discovery Academies. Building on our good quality of education, making improvements required to be outstanding. We will measure this through self-assessment and School Improvement Partner feedback.
- To implement new Management Information Systems for HR and Finance.
- To undertake due diligence processes for at least two potential joiner schools.
- For all schools to achieve the Unicef Rights Respecting School Award.
- To review CPD for class support teams, ensuring that they have the skills required to do their jobs well.

Funds held as Custodian Trustee on Behalf of Others

Neither the Trust nor Trustees act as custodians.

**MacIntyre Academies
Trustees' Report
For the year ended 31 August 2019**

Auditor

In so far as the Governors are aware:

There is no relevant audit information of which the charitable company's auditor is unaware; and the Governors have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

The Multi Academy Trust has reappointed Moore Kingston Smith LLP as auditors.

Approved by order of the members of the Governing Body on 17 December 2019 and signed on its behalf by:



**Neil Macmillan
Chair MacIntyre Academies Trust**

**MacIntyre Academies
Governance Statement
For the year ended 31 August 2019**

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the Multi Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer and 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 MacIntyre Academies 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 information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees responsibilities. The board of trustees has formally met 5 times during the year.

Attendance during the year at meetings of the governing body was as follows:

Governance	Meetings attended	Out of a possible
Neil Macmillan (Chair)	6	6
Shaun Temple-Brown	6	6
Anthony Greenwood	6	6
Charlotte May	5	6
Martin Zahra	5	6
Denise Cockrem	1	6
Sarah Burslem	6	6

Denise Cockrem is an Independent Member and attends the AGM only.

Audit & Risk Committee

This Committee is under the Chairmanship of Shaun Temple Brown. The purpose of the Committee is to ensure probity and efficiency in the management of MacIntyre Academies' resources, review of financial controls and the risk register, and the monitoring of the feedback from LABs on the management of risk.

Review of Value for money

The Accounting Officer is responsible for ensuring 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 taxpayer resources received.

To ensure value for money in purchasing and procurement, different options are considered before making purchased including an assessment of initial costs and the benefits of alternatives over the longer term. The Trust has approved a procurement policy which sets out four purchasing thresholds and associated procedures which included the need to use benchmarking, multiple quotations or undertake a full tendering exercise depending on the threshold reached.

The Trust Board is accountable for approving all major financial decisions. LABs are accountable for monitoring the spend of an academy and can make recommendations regarding future priorities for spending to the Trust Board. The Trust does not operate a separate finance committee but ensures financial governance and oversight is strong through a standing item and report at every Trust Board meeting. The Audit & Risk Committee use high level data in a key risk data dashboard arising from the implementation of the new Quality & Compliance framework. The dashboard will facilitate the consideration of all key risks including safeguarding, health and safety and financial risks. The accounts from the previous year (December) and the proposed annual budget for the next year (May) will be reviewed at the Audit & Risk Committee prior to being presented to the Trust Board for approval.

**MacIntyre Academies
Governance Statement
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 reassurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risk of the achievement of school policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in MacIntyre Academies for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trust Board has reviewed the risks to which MacIntyre Academies is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal on-going process for identifying, evaluating and managing MacIntyre Academies' significant risks that was designed and in place during the period ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

The Risk and Control Framework

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

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

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

- To appoint JD Education Finance Services to carry out a programme of internal checks.

The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations
- Review of the trial balance

On a termly basis, the reviewer reports to the board of trustees, through Audit and Risk Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**MacIntyre Academies
Governance Statement
For the year ended 31 August 2019**

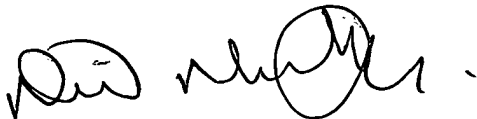
Review of Effectiveness

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The work of the internal reviewer;
- The work of the external auditor;
- The work of the executive managers within MacIntyre Academies who have responsibility for the development and maintenance of the internal control framework; and
- The Accounting Officer having been advised of the system of internal control in place during the period and a plan to address any weakness and ensure continuous improvement of the systems in place.

Approved by order of the members of the board of trustees on 17 December 2019 and signed on its behalf by:

Signed



Neil Macmillan
Chair MacIntyre Academies Trust

Signed



Claire Toombs
Accounting officer

MacIntyre Academies
Statement on Regularity, Propriety and Compliance
For the year ended 31 August 2019

As Accounting Officer of MacIntyre Academies Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

Signed



Claire Toombs
Accounting Officer

Date: 17 December 2019

MacIntyre Academies
Statement of Trustees' Responsibilities
For the year ended 31 August 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 17 December 2019 and signed on its behalf by:

Signed



Trustee

MacIntyre Academies

Independent Auditor's Report to the Members of MacIntyre Academies Trust for the year ended 31 August 2019

Opinion

We have audited the financial statements of MacIntyre Academies ('the academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accounting Practice).

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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019 issued by the ESFA.

Basis for opinion

We conducted our audit in accordance with *International Standards on Auditing (UK) (ISAs(UK))* and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of 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 UK, including the FRS'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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

MacIntyre Academies
Independent Auditor's Report to the Members of MacIntyre Academies
for the year ended 31 August 2019 (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 matter 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

MacIntyre Academies

Independent Auditor's Report to the Members of MacIntyre Academies for the year ended 31 August 2019 (continued)

Auditor's 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 auditor's 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including and significant deficiencies in internal control that we identify during our audit.

Use of this 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Date: 17 December 2019

James Saunders (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

MacIntyre Academies

Independent Reporting Accountant's Assurance Report on Regularity to MacIntyre Academies and the Education and Skills Funding Agency for the year ended 31 August 2019

In accordance with the terms of our engagement letter dated 23 October 2018 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 MacIntyre Academies during the period 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 MacIntyre Academies and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to MacIntyre Academies and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than MacIntyre Academies and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of MacIntyre Academies' accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of MacIntyre Academies' funding agreement with the Secretary of State for Education dated 4 March 2014 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.

MacIntyre Academies

Independent Reporting Accountant's Assurance Report on Regularity to MacIntyre Academies and the Education and Skills Funding Agency for the year ended 31 August 2019 (continued)

The work undertaken to draw to our conclusion includes:

- review of financial records for unusual transactions;
- sample testing expenditure transactions were reasonable, appropriate and appropriately authorised in accordance with the trust's procurement policy;
- review the minutes of the Board meetings;
- review the processes and controls to identify related party transactions and potential conflicts;
- obtaining formal representations from the Board and the accounting officer; and
- reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

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.

Moore Kingston Smith LLP

Date: *17 December 2019*

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

MacIntyre Academies

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 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	2	4,719	-	7,851,463	7,856,182	489
Charitable activities:						
Funding for the academy trust's educational operations	3	55,828	8,804,510	-	8,860,338	7,278,142
Total		60,547	8,804,510	7,851,463	16,716,520	7,278,631
Expenditure on:						
Charitable activities:						
Academy trust educational operations	4, 5	-	8,231,702	213,245	8,444,947	6,844,272
Total		-	8,231,702	213,245	8,444,947	6,844,272
Net income / (expenditure)		60,547	572,808	7,638,218	8,271,573	434,359
Transfers between funds	14	-	(607,056)	607,056	-	-
Other recognised (losses)/gains						
Actuarial (losses) / gains on defined benefit pension schemes	14, 21	-	(1,038,000)	-	(1,038,000)	554,000
Net movement in funds		60,547	(1,072,248)	8,245,274	7,233,573	988,359
Reconciliation of funds						
Total funds brought forward		-	1,208,002	7,724,764	8,932,766	7,944,407
Total funds carried forward		60,547	135,754	15,970,038	16,166,339	8,932,766

All of the academy's activities derive from continuing operations during the above two financial periods.

A comparative Statement of Financial Activities is detailed in note 24 of the accounts.

MacIntyre Academies
Balance Sheet
as at 31 August 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	10		-		225
Tangible assets	11		15,970,038		7,724,539
			<u>15,970,038</u>		<u>7,724,764</u>
Current assets					
Debtors	12	685,363		524,031	
Cash at bank and in hand		<u>2,270,215</u>		<u>1,949,860</u>	
		2,955,578		2,473,891	
Liabilities					
Creditors : Amounts falling due within one year	13	<u>(520,277)</u>		<u>(485,889)</u>	
Net current assets			2,435,301		1,988,002
Total assets less current liabilities			18,405,339		9,712,766
Net assets excluding pension liability			<u>18,405,339</u>		<u>9,712,766</u>
Defined benefit pension scheme liability	21		(2,239,000)		(780,000)
Total net assets			<u>16,166,339</u>		<u>8,932,766</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	14	15,970,038		7,724,764	
Restricted income fund	14	2,374,754		1,988,002	
Pension reserve	14	(2,239,000)		<u>(780,000)</u>	
Total restricted funds			16,105,792		8,932,766
Unrestricted income funds	14		60,547		-
Total funds			<u>16,166,339</u>		<u>8,932,766</u>

The financial statements were approved by the trustees, and authorised for issue on 17/12/2019 and are signed on their behalf by:



Neil Macmillan
Chair

Company no: 08334745

MacIntyre Academies
Statement of Cash Flows
for the year ended 31 August 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	16	8,778,874	905,400
Cash flows from investing activities	17	(648,519)	(56,151)
Cash flows from financing activities	18	-	-
Change in cash and cash equivalents in the reporting period		8,130,355	849,249
Cash and cash equivalents at 1 September 2018		1,949,860	1,100,611
Cash and cash equivalents at 31 August 2019	19	10,080,215	1,949,860

MacIntyre Academies

Notes to the Financial Statements

for the year ended 31 August 2019

1 Statement of Accounting Policies

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

Company information

MacIntyre Academies is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office is 602 South Seventh Street, Milton Keynes, Buckinghamshire, MK9 2JA.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: 'Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102))', the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand pound.

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants**

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

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

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

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

1 Statement of Accounting Policies (continued)

• **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 are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Donations**

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

• **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

• **Donated fixed assets**

Where the trust receives a donated fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations (see note 2) and a corresponding amount is included in the appropriate fixed asset category (see note 11) and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

In August 2019 the trust was transferred the rights to the 125 year long leasehold of property for £nil consideration in respect of the permanent premises for Quest Academy, in Rugby. This was received in the year from Warwickshire County Council, and has been recognised at the best estimate of fair value, being a valuation as at 31 August 2019 undertaken by Eddisons of the depreciated replacement cost.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in a settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including the support costs involved in undertaking each activity. Direct costs attributable to a single activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable Activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

1 Statement of Accounting Policies (continued)

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible 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:

Purchased computer software	Over the license period
-----------------------------	-------------------------

Tangible Fixed Assets

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

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

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

Long leasehold buildings	50 years
Fixtures, fittings and equipment	5 years
Computer Equipment	3 years

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.

Liabilities

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

Provisions

Provisions can be recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle an obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the last pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

1 Statement of Accounting Policies (continued)

Leased Assets

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

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

1 Statement of Accounting Policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

1 Statement of Accounting Policies (continued)

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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.

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

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

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

1 Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgment

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.

Local Government Pension Scheme

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Capital Grants	-	41,463	41,463	-
Other donations	4,719	-	4,719	489
Transfer from the Local Authority (see note 11)	-	7,810,000	7,810,000	-
	<u>4,719</u>	<u>7,851,463</u>	<u>7,856,182</u>	<u>489</u>

The income in donations and capital grants totalled £7,856,182 (2018: £489) of which £4,719 (2018: £nil) was unrestricted, £nil (2018: £nil) was restricted and £7,851,463 (2018: £nil) was restricted fixed assets.

The transfer from the Local Authority relates to the donated fixed assets (land and buildings) for Quest Academy's permanent premises from Warwickshire County Council.

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
DfE / ESFA revenue grants				
General Annual Grant (GAG)	-	1,689,514	1,689,514	1,279,852
Start Up Grants	-	63,000	63,000	96,925
Other DfE/ESFA grants	-	156,763	156,763	205,627
	<u>-</u>	<u>1,909,277</u>	<u>1,909,277</u>	<u>1,582,404</u>
Other Government grants				
Local authority grants	-	6,873,329	6,873,329	5,676,363
	<u>-</u>	<u>6,873,329</u>	<u>6,873,329</u>	<u>5,676,363</u>
Other Income from the academy trust's educational operations				
	55,828	21,904	77,732	19,375
	<u>55,828</u>	<u>21,904</u>	<u>77,732</u>	<u>19,375</u>

Total income in the academy trust's educational operations was £8,877,210 (2018: £7,278,142) of which £55,828 was unrestricted (2018: £4,798), £8,821,392 was restricted (2018: £7,273,344) and £nil was restricted fixed assets (2018: £nil).

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

4 Expenditure

	Staff Costs £	Non Pay Expenditure		Total 2019 £	Total 2018 £
		Premises £	Other £		
Academy's educational operations:					
Direct costs	4,666,964	44,785	776,954	5,488,703	4,512,696
Allocated support costs	1,771,837	321,598	862,809	2,956,244	2,331,576
	6,438,801	366,383	1,639,763	8,444,947	6,844,272

The expenditure in the academy's educational operations was £8,444,947 (2018: £6,844,272) of which £nil was unrestricted (2018: £nil), £8,231,702 was restricted (2018: £6,665,391) and £213,245 was restricted fixed assets (2018: £178,881).

Net income / (expenditure) for the period includes:

	2019 £	2018 £
Operating lease rentals	39,632	33,216
Depreciation and amortisation	213,245	178,882
Fees payable to auditor for:		
Audit	12,300	12,000
Other services	21,714	24,468
	34,014	36,468

5 Charitable Activities

Direct costs - educational operations

	Unrestricted £	Restricted General £	Restricted Fixed Assets £	Total 2019 £	Total 2018 £
Teaching staff costs	-	4,666,964	-	4,666,964	4,011,299
Premise costs	-	44,785	-	44,785	51,499
Other direct costs	-	776,954	-	776,954	449,898
Total direct costs	-	5,488,703	-	5,488,703	4,512,696

Support costs - educational operations

	Unrestricted £	Restricted General £	Restricted Fixed Assets £	Total 2019 £	Total 2018 £
Support staff costs		1,771,837		1,771,837	1,411,711
Depreciation and amortisation			213,245	213,245	178,881
Technology costs		31,557		31,557	9,180
Premise costs		321,598		321,598	322,483
Other support costs		561,789		561,789	351,173
Governance costs		56,218		56,218	58,148
Total support costs	-	2,742,999	213,245	2,956,244	2,331,576
Total direct and support costs	-	8,231,702	213,245	8,444,947	6,844,272

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

6 Staff

a. Staff costs

	2019 £	2018 £
Staff costs during the period were:		
Wages and salaries	4,352,602	3,676,134
Social security costs	339,486	288,275
Pension costs	1,035,824	1,006,238
	<u>5,727,912</u>	<u>4,970,647</u>
Supply staff costs	710,890	447,817
Severance pay	15,000	4,546
	<u>6,453,802</u>	<u>5,423,010</u>

The severance pay noted above represents a single payment to a single individual.

b. Staff numbers

The average number of persons employed by the academy during the period was as follows:

	2019 No.	2018 No.
Teachers	32	29
Administration	22	16
Support	136	108
Management	4	16
	<u>194</u>	<u>169</u>

c. Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000		2
£70,001 - £80,000		2
£80,001 - £90,000	3	-

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £389,460 (2018: £385,012).

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

7 Disclosure of central services

The academy trust has provided the following central services to its academies during the year:

human resources;
financial services;
legal services;
educational support services;
engagement and family services

The trust charges for these services on the following basis:

Flat percentage of income - 5% of ESFA funding

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Endeavour Academy	163,550	139,673
Discovery Academy	170,181	145,851
Quest Academy	109,512	74,356
	<u>443,243</u>	<u>359,880</u>

8 Related Party Transactions - Trustees' Remuneration and Expenses

Owing to the nature of the academy trust'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 trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

During the period, expenses totalling £119,136 (2018: £75,768) were paid by MacIntyre Care on behalf of the Academy trust and recharged. MacIntyre Care is a member of the Academy Trust. Included in creditors is £38,466 (2017: £1,487) owed to MacIntyre Care as at the balance sheet date.

During the period, income totalling £615 (2018: £nil) was received from Macintyre Care. At the year end there is a negative debtor balance of £-260 (2018: £nil).

Trustees' travel expenses of £80 (2018: £338) were reimbursed by the Academy trust during the year, these expenses were reimbursed to 2 Trustees (2018: 2).

9 Trustees' and officers' insurance

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

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

10 Intangible fixed assets

	Computer Software £	Total £
Cost		
At 1 September 2018	2,705	2,705
Disposals	(2,705)	(2,705)
At 31 August 2019	-	-
Amortisation		
At 1 September 2018	2,480	2,480
Charged in year	225	225
Eliminated	(2,705)	(2,705)
At 31 August 2019	-	-
Net book values		
At 31 August 2019	-	-
At 31 August 2018	225	225

11 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 1 September 2018	7,965,160	281,575	158,732	8,405,467
Additions	53,372	453,524	141,623	648,519
Transfer from Local Authority	7,810,000	-	-	7,810,000
Disposals	-	(131,722)	(127,242)	(258,964)
At 31 August 2019	15,828,532	603,377	173,113	16,605,022
Depreciation				
At 1 September 2018	412,535	144,203	124,190	680,928
Charged in year	103,893	62,915	46,212	213,020
Eliminated on disposals	-	(131,722)	(127,242)	(258,964)
At 31 August 2019	516,428	75,396	43,160	634,984
Net book values				
At 31 August 2019	15,312,104	527,981	129,953	15,970,038
At 31 August 2018	7,552,625	137,372	34,542	7,724,539

The academy trust's transactions relating to land and buildings included:

- The granting of a leasehold on Quest Academy's permanent premises being land and buildings in Rugby for £nil from Warwickshire County Council over a term of 125 years. This has been recognised as a fixed asset donation in the year, at the trust's best estimate of fair value, being a valuation as at 31 August 2019 undertaken by Eddisons of the depreciated replacement cost.

12 Debtors

	2019 £	2018 £
Trade debtors	354,154	32,243
VAT recoverable	152,347	121,114
Other debtors	48,326	486
Prepayments and accrued income	130,536	370,188
	685,363	524,031

13 Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	218,600	64,369
Taxation and social security	132,016	122,983
Other creditors	135,900	208,851
Accruals and deferred income	33,761	89,686
	520,277	485,889

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

14 Funds	Balance at 1 September 2018 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	1,689,514	(1,689,514)	-	-
Start Up Grant	-	63,000	(63,000)	-	-
Other DfE grants	-	156,763	(156,763)	-	-
Other local authority funding	1,988,002	6,873,329	(5,879,521)	(607,056)	2,374,754
Pension reserve	(780,000)	-	(421,000)	(1,038,000)	(2,239,000)
Other funding	-	21,904	(21,904)	-	-
	<u>1,208,002</u>	<u>8,804,510</u>	<u>(8,231,702)</u>	<u>(1,645,056)</u>	<u>135,754</u>
Restricted fixed asset funds					
Other funding	7,724,764	7,851,463	(213,245)	607,056	15,970,038
	<u>7,724,764</u>	<u>7,851,463</u>	<u>(213,245)</u>	<u>607,056</u>	<u>15,970,038</u>
Total restricted funds	<u>8,932,766</u>	<u>16,655,973</u>	<u>(8,444,947)</u>	<u>(1,038,000)</u>	<u>16,105,792</u>
Total unrestricted funds	<u>-</u>	<u>60,547</u>	<u>-</u>	<u>-</u>	<u>60,547</u>
Total funds	<u>8,932,766</u>	<u>16,716,520</u>	<u>(8,444,947)</u>	<u>(1,038,000)</u>	<u>16,166,339</u>

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2019.

Restricted general funds

All restricted funds are grants received from the Department for Education and the Local Authority for the purpose of running the Academy Trust.

Restricted fixed asset fund

All capital grants received from the Department for Education and the Local Authority are to be used on capital expenditure. This includes donated fixed assets from the Local Authority.

Unrestricted funds

All unrestricted funds are amounts raised by the Academy Trust which can be used for any purposes the trustees deem appropriate.

Transfers

The transfer from restricted revenue funds to restricted fixed asset funds represents the amount spent on fixed asset additions resourced from revenue funds.

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

14 Funds (continued)

Analysis of academies by fund balance

	2019 £	2018 £
Fund balances as at year end were allocated as follows:		
Endeavour Academy	1,489,732	1,351,810
Discovery Academy	924,697	571,042
Quest Academy	208,039	131,012
Central Services	(187,167)	(65,862)
Total before fixed assets and pension reserve	2,435,301	1,988,002
Restricted fixed asset fund	15,970,038	7,724,764
Pension reserve	(2,239,000)	(780,000)
Total reserves	16,166,339	8,932,766

Total cost analysis by Academy

	Teaching & Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding depreciation) £	Total 2019 £	2018 £
Endeavour Academy	1,444,229	972,975	300,595	228,527	2,946,326	2,304,117
Discovery Academy	1,875,744	328,180	441,441	216,048	2,861,413	2,633,854
Quest Academy	1,332,725	182,169	259,375	127,167	1,901,436	1,268,987
Central Services	14,266	314,512	34,841	158,909	522,528	415,433
Academy Trust	4,666,964	1,797,836	1,036,252	730,651	8,231,703	6,622,391

15 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 £
Tangible fixed assets	-	-	15,970,038	15,970,038
Current assets	60,547	2,895,031	-	2,955,578
Current liabilities	-	(520,277)	-	(520,277)
Pension scheme liability	-	(2,239,000)	-	(2,239,000)
Total net assets	60,547	135,754	15,970,038	16,166,339

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

16	Reconciliation of Net Income/(expenditure) to Net Cash Inflow from Operating Activities	2019	2018
		£	
	Net (expenditure)/income for the reporting period (as per the statement of financial activities)	8,271,573	988,359
	Adjusted for:		
	Depreciation	213,020	177,979
	Amortisation	225	902
	Capital income	-	-
	Defined benefit pension scheme cost less contributions payable	421,000	421,000
	(Increase)/decrease in debtors	(161,332)	(381,566)
	(Decrease)/increase in creditors	34,388	(301,274)
	Net Cash provided by / (used in) Operating Activities	8,778,874	905,400
17	Cash flows from investing activities	2019	2018
		£	£
	Capital funding received from sponsors and others	-	-
	Purchase of tangible fixed assets	(648,519)	(56,151)
	Purchase of intangible fixed assets	-	-
	Net Cash provided by / (used in) investing Activities	(648,519)	(56,151)
18	Cash flows from financing activities	2019	2018
		£	£
	Repayments of borrowing	-	-
	Cash inflows from new borrowing	-	-
	Net cash provided by / (used in) financing activities	-	-
19	Analysis of cash and cash equivalents	At 31	At 31
		August	August
		2019	2018
		£	£
	Cash in hand and at bank	2,270,215	1,949,860
	Total cash and cash equivalents	2,270,215	1,949,860
20	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.

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

21 Pension and Similar Obligations

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

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year ended 2015. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The latest actuarial valuations relate to the date 31 August 2016.

Contributions amounting to £79,368 were payable to the schemes at 31 August 2019 (2018: £73,345) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS affecting contributions during the year, was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

21 Pension and Similar Obligations (Continued)

Valuation of the Teachers Pension Scheme (Continued)

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.48% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The employer's pension costs paid to TPS in the period amounted to £225,069 (2018: £207,824).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £547,000 (2018: £447,000), of which employer's contributions totalled £408,000 (2018: £334,000) and employees' contributions totalled £139,000 (2018: £113,000).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an 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.

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

21 Pension and Similar Obligations (Continued)

Principal Actuarial Assumptions	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.2%	3.2%
Rate of increase for pensions in payment/inflation	2.3%	2.3%
Discount rate for scheme liabilities	1.9%	2.8%

The FRC Reporting Statement 'Retirement Benefits' recommends that disclosure should include a sensitivity analysis for the principal assumptions used to measure scheme liabilities, showing how the measurement of scheme liabilities would have been affected by changes in the relevant assumption that were reasonably possible at the balance sheet date.

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	21.8	22.8
Females	23.8	25.0
<i>Retiring in 20 years</i>		
Males	22.9	24.3
Females	25.2	26.7

Sensitivity analysis

The measurement of scheme liabilities would have been affected by changes in the relevant principal assumptions as follows:

	2019 £'000	2018 £'000
Discount rate -0.5%	957	163
Long term salary +0.5%	6	1
Pension increase +0.5%	942	162

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equity instruments	1,381,610	951,320
Debt instruments	482,740	322,520
Property	197,640	162,050
Cash	55,010	30,110
Total market value of assets	2,117,000	1,466,000

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

21 Pension and Similar Obligations (Continued)

	2019	2018
	£	£
Amounts recognised in the statement of financial activities		
Current service cost	735,000	769,000
Past service cost	68,000	-
Interest income	(49,000)	(30,000)
Interest cost	75,000	59,000
Total operating charge	<u>829,000</u>	<u>798,000</u>
Changes in the fair value of defined benefit obligations were as follows:	2019	2018
	£	£
At 1 September	2,246,000	1,819,000
Current service cost	735,000	769,000
Past service cost	68,000	-
Interest cost	75,000	59,000
Employee contributions	139,000	113,000
Benefits paid	-	-
Actuarial loss/(gain)	1,093,000	(514,000)
At 31 August	<u>4,356,000</u>	<u>2,246,000</u>
Changes in the fair value of academy trust's share of scheme assets:	2019	2018
	£	£
At 1 September	1,466,000	949,000
Interest income	49,000	30,000
Employee contributions	139,000	113,000
Employer contributions	408,000	334,000
Benefits paid	-	-
Actuarial gain/(loss)	55,000	40,000
At 31 August	<u>2,117,000</u>	<u>1,466,000</u>
Net changes in the scheme liability:	2019	2018
	£	£
At 1 September	780,000	870,000
Pension cost	803,000	769,000
Finance cost	26,000	29,000
Employer contribution	(408,000)	(334,000)
Net actuarial loss/(gain)	1,038,000	(554,000)
At 31 August	<u>2,239,000</u>	<u>780,000</u>

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2019

22 Capital Commitments

Capital commitments contracted but not provided for in the financial statements are as follows:

	2019 £	2018 £
Computer equipment	-	44,664
Other capital works	75,863	18,364
	<u>75,863</u>	<u>63,028</u>

23 Commitments Under 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	38,640	38,357
Amounts due between one and five years	9,176	37,536
	<u>47,816</u>	<u>75,893</u>

24 Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £
Donations and capital grants	489	-	-	489
Charitable activities:				
Funding for the academy trust's educational operations	4,798	7,273,344	-	7,278,142
Total	<u>5,287</u>	<u>7,273,344</u>	<u>-</u>	<u>7,278,631</u>
Expenditure on:				
Charitable activities:				
Academy trust educational operations	-	6,665,391	178,881	6,844,272
Total	<u>-</u>	<u>6,665,391</u>	<u>178,881</u>	<u>6,844,272</u>
Net income / (expenditure)	5,287	607,953	(178,881)	434,359
Transfers between funds	(5,287)	(50,864)	56,151	-
	<u>-</u>	<u>557,089</u>	<u>(122,730)</u>	<u>434,359</u>
Other recognised gains and losses				
Actuarial (losses) / gains on defined benefit pension schemes	-	554,000	-	554,000
Net movement in funds	<u>-</u>	<u>1,111,089</u>	<u>(122,730)</u>	<u>988,359</u>
Reconciliation of funds				
Total funds brought forward		96,913	7,847,494	7,944,407
Total funds carried forward	<u>-</u>	<u>1,208,002</u>	<u>7,724,764</u>	<u>8,932,766</u>