

MARLOW EDUCATION TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

MARLOW EDUCATION TRUST
(A Company Limited by Guarantee)

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MARLOW EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Members

Charles Elly	Chairman
Annabel Nicoll	
Deborah Eyre	
Peter Holding	Advisor

Directors and Trustees

Mr I Duguid	Chairman
Mrs C Redcliffe	Chair of Governors - Sir William Borlase's Grammar School
Mr R Krajewski	
Mr A Handford	Chair of Beechview Academy Governors, LGB – to which appointed 11 October 2018

Executive

Dr P Holding	Executive Head of Beechview. Chief Operating Officer ("COO")
Mrs C McLeod	Chief Financial Officer

Company Secretary

C S McLeod

Senior Management Team

Dr P Holding	COO
Mr A Blackmore	Head Teacher Beechview Academy
Ms K Mountfield	Head Teacher Sir William Borlase's Grammar School
Mrs C McLeod	Business Manager and Chief Financial Officer

Company Name

Marlow Education Trust

Principal and Registered Office

Marlow Education Trust, West Street, Marlow, Buckinghamshire, SL7 2BR

Company Registered Number

07625556 (England and Wales)

Independent Auditor

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Lloyds Bank Plc, 17 High Street, Marlow, Buckinghamshire, SL7 1AJ

Solicitors

Veale Wasbrough Vizards, Orchard Court, Orchard Lane, Bristol, BS1 5WS

MARLOW EDUCATION TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Marlow Education Trust ("Trust") is a Multi Academy Trust ("MAT") which operates two academies:

Sir William Borlase's Grammar School ("SWBGS") – an academy for pupils aged 11 to 19 with a catchment area covering Marlow, South Buckinghamshire and Maidenhead in the Royal Borough of Windsor & Maidenhead. It has a pupil capacity of 920 and had a roll of 1,073 in the school census on 5 October 2018; and

Beechview Academy ("Beechview") – a primary academy for pupils aged 6 to 11 with catchment area in High Wycombe, Buckinghamshire. It has a pupil capacity of 240 and had a roll of 183 in the school census on 5 October 2018.

From a governance perspective, each of the academies within the trust are governed by Local Governing Bodies ("LGB") who work to agreed schemes of delegation ("SoDs" – which are available on the individual academy's websites) and hold the head of that academy to account. The LGB's, in turn, are accountable to the Trustees/Directors of the Trust. The remainder of this report is written from the perspective of the Trust being a multi academy trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Marlow Education Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The Trustees of Marlow Education Trust are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Trustees and Directors benefit from indemnity insurance to cover the liability which, by virtue of any rule of law, would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the MAT. The cost of this insurance in the year was £193 (2018: £219).

Method of Recruitment and Appointment or Election of Trustees

The Articles of Association of the Trust require the make-up of the Directors/Trustees to be as follows:

Subject to Articles 48-49 and 53, the Trust shall have the following Trustees:

- a. up to 7 Trustees (but not less than three), appointed under Article 50; and
- b. a minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A; and
- c. subject to Article 57, the Chief Executive Officer
- d. The Academy Trust may also have any Co-opted Trustee appointed under Article 58.

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

Method of Recruitment and Appointment or Election of Trustees (continued)

The Members may appoint, by ordinary resolution, up to 7 Trustees.

The total number of Trustees including the Chief Executive Officer, if they so choose to act as Trustee under Article 57, who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Members will review the skill set of the Trustee body and invite individuals with appropriate skills to join the body as appropriate.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity, educational, legal and financial matters.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

Induction is provided informally and is tailored specifically to the individual.

Organisational Structure

The Trust Management is organised in four levels: the Trust executive, individual academies' LGBs, individual academies' Senior Leadership Teams ("SLT") and individual academies' Budget Holders.

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The LGBs are responsible for setting general policy, adopting an annual plan and budget, monitoring their Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. In addition, each LGB is responsible for holding to account the head teacher and their academy in line with agreed SoDs.

The Trust executive has overall executive responsibility for the Trust's activities including approving the financial procedures under which the Academies' finances operate. Much of the responsibility for financial activities has been delegated to the Chief Finance Officer who works alongside each academy's SLT.

The Head Teachers of individual academies are responsible for the appointment of all staff with the exception of the SLT and Heads of Departments, which is performed in conjunction with the Local Governors.

The local SLTs control the individual Academy at an executive level implementing the policies laid down by the LGBs and reporting back to them.

Arrangements for setting pay and remuneration of key management personnel

The LGBs, subject to their individual SoD, make pay decisions in accordance with the 'key principles of public life': objectivity openness and accountability. It recognises the requirement for a fair and transparent policy to determine the pay and grading for all staff employed at the Academy, having regard to the conditions of service under which staff are employed and relevant statutory requirements. Pay decisions will take account of the resources available to the Academy. The staffing structure will support the School Development Plan. The LGBs will exercise their discretionary powers using fair, transparent and objective criteria in order to secure a consistent approach in pay decisions.

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

Arrangements for setting pay and remuneration of key management personnel (continued)

The Head Teachers' reviews will be done by the LGB, subject to their individual SoDs. The LGB will agree performance objectives relating to school leadership and management and pupil progress with the Head teacher, taking account of the advice of an appointed adviser. The objectives will be agreed as early as possible in the Autumn Term; a Review Committee will review the performance of the Head Teacher annually against the performance objectives and may award increments in accordance with "School Teachers' Pay and Conditions Document", with particular regard to leadership, management and pupil progress.

The Trust Directors review the performance and salaries of Trust Executives (COO and CFO) in accordance with the principles above.

The Trust Directors delegate to the individual Head Teachers, subject to SoDs, the agreement of performance objectives relating to individual school leadership, management and pupil progress with their SLT's. School Improvement Plan ("SIP") objectives will be agreed and reported to the LGBs as early as possible in the Autumn Term. The Head Teacher will review SLT salaries against performance annually.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period 1

1

1

Percentage of time spent on facility time

Percentage of time
0%

Number of employees
1

Pay bill spent on facility time

Cost of facility time

£0 and 0% of total pay bill

Pay bill spent on trade union activities

Cost of time spent on paid trade union activities £0 and 0% of total pay bill

Related Parties and other Connected Charities and Organisations

Marlow Education Trust is not controlled by a third party.

Marlow Education Trust has a controlling interest in the Sir William Borlase's Grammar School – School Fund, a charity (Charity Number 1096750) set up to support the education of pupils attending Sir William Borlase's Grammar School.

The School Fund transactions are combined within these financial statements.

Although it does not have a controlling interest, Marlow Education Trust has strong connections with the following organisations:

- Sir William Borlase's Grammar School Trust (Charity Number 310623);
- Sir William Borlase's Grammar School Parent Association (Charity Number 279085);
- Sir William Borlase's Grammar School Rowing Parent Support Group (Charity Number 1092936);
- Marlow and District Schools' Boathouse Trust (Charity Number 1160539);
- The Beechview School Fund (Charity Number 1130987).
- Marlow Sports Club (Charity Number 1139862).

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and aim of the Trust is "establishing, maintaining, carrying on, managing and developing academies offering a broad and balanced curriculum"

Objectives, Strategies and Activities

The Trust and all academies aspire to deliver an exceptional quality of teaching and learning. They promote high expectations for both staff and students and encourage maximum effort, intellectual curiosity and independence of mind. By fostering a spirit with a strong ethos of consideration, the whole school community works together to create accomplished and well-rounded young people in a safe environment.

The board has considered its effectiveness, especially in relation to the following areas, roles and responsibilities of Directors, Governors and Senior Leadership, assessment of the new Governors' days and in building and establishing relationships within the wider Marlow community, with a view to broaden MAT expansion for the future.

The board was satisfied that quality data was being produced by both academies in the Trust, and it will continue to use this data to drive improvements across the Trust.

Public Benefit

The Trustees of the Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission when defining and reviewing their aims and objectives and undertaking the charity's activities.

The activities undertaken to further the Trust's purpose for the Public Benefit is to provide education for its pupils.

STRATEGIC REPORT

Marlow Education Trust

The Trust's long term aim is to work with the various schools and academies in Marlow to develop a group of schools in Marlow and the surrounding area which work together to deliver the best outcomes for each pupil, whatever their ability, background or needs. During much of 2017 and 2018, the trustees worked with the governing bodies of many of these schools to see if common ground could be found to see a much closer working relationship and ideally within one multi academy trust – be that Marlow Education Trust or otherwise. In fact, one of the primary schools in Marlow had, at our last year end, indicated an intention to join the Trust.

However, whilst our objective remains the same, we have had to accept that the journey to enjoining with us, is a decision not easily taken by others for whom the perceived risks currently outweigh the benefits. We have concluded to develop the relationships between the academies within the Trust and the schools/academies in Marlow on a practical daily basis for the time-being. Strategic alliances will likely develop out of this but, for now, the Trust executive maintains a watching brief as regards MAT expansion.

The board continues to focus its attention on seeing improvements in both its current academies and, in particular, to drive the Executive Head Teacher and the LGB of Beechview to deliver improvements, as quickly as possible, especially in the areas of teaching and learning.

Sir William Borlase's Grammar School.

Sir William Borlase's Grammar School is committed to being an inspirational learning environment for students and staff, empowering young people to fulfil their aspirations and ambitions; supporting them in developing the confidence to shape their own futures and in so doing, the future of the world around them.

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

STRATEGIC REPORT (continued)

Sir William Borlase's Grammar School.

The Academy has the following goals that are linked to its vision:

- All students are supported in becoming a confident, resilient and independent learners.
- All students will experience a rich and appropriately challenging curriculum.
- All students will be presented with opportunities to open their minds and excite their curiosity.
- All students will be taught by passionate, specialist teachers.
- All students will be empowered to meet or exceed their progress expectations at GCSE and A Level.
- All students will contribute positively to a happy, healthy and safe community.
- Students' learning will be supported by a high quality environment and effective services.
- Students' learning benefits from the Academy's commitment to its staff and the effective use and development of their skills. To ensure that these goals are met, the academy sets strategic targets within its School Improvement Plan in the following areas:
 - Curriculum Design
 - Learning and teaching
 - Student Empowerment through Personal Development
 - Leadership and Management
 - Staff development
 - Property and services development

Each of these targets are owned by a member of the SLT and progress on these is monitored throughout the year by the LGB.

Achievements and Performance

Sir William Borlase's Grammar School last underwent an OFSTED Inspection in July 2012 and was graded "outstanding" in all areas.

SWBGS continues to grow from strength to strength. Academic results have improved at both GCSE and A Level.

GCSE Results

Over 70% of all GCSEs were at grades 7, 8 or 9, with an average grade achieved 7.2. An average attainment 8 (taking the grades from the eight English Baccalaureate subjects) score of 74 means that our average GCSE result across these subjects was a grade 7.

	2017	2018	2019
No of candidates	137	140	139
Total number of entries	1339	1345	1363
Average points per GCSE (Note 1) (A*=58, A=52, B=46, C=40, D=34)	52.4	51.8	7.2
Average attainment 8 score per pupil	74.3	73.7	74.0
Progress 8 score	0.89	0.74	0.58
% 7/8/9 (2017 or A*/A)	74.5	67.9	70.2

Note 1: Changes to the marking of GCSEs from A* to D to a 9-1 ranking were gradually introduced in the summers 2018; the transfer was completed in 2019. The 2018 figures were adjusted under the old system. The 2019 data is the format that will be followed in the future – 7.2 equates to approximately 53.2 under the previous system.

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

Achievements and Performance (continued)

A2 Results

Exam results continue to be outstanding, with 77.6% of pupils gaining A*-B grades in all their entries.

	2017	2018	2019
No of candidates	193	213	202
% A+ - B	76.2	77.2	77.6
Total number of entries	594	656	624
Average point score per A level entry (A*=60, A=50, B=40, C=30, D=20, E=10)	41.5	42.61	43.7

The vast majority of our 6th Form students progress to university, with a very high percentage gaining access to some of the most competitive universities, such as those in the Russell Group, Oxford and Cambridge, or, where relevant, to top institutions for studying Art, Music, Drama or Dance. Students also take up places in American and European Universities and a number have accepted places on fully-funded, undergraduate apprentice schemes.

Key Performance Indicators

Year ended 31 August	2017	2018	2019
Donations as % of Income (Excluding capital funding)	2%	3%	4%
Teaching staff costs per pupil £000s	£3,300	£3,300	£3,420
Support staff costs per pupil	£591	£504	£572

The school continues to focus on developing its inspirational teaching and learning and, as a part of this, it leads outreach to other schools, sharing its best practice, and seeks learning from other centres of excellence – SWBGS has been recognised nationally in this area:

- The school was recently awarded World Class School Status, a new prestigious award issued by High Performance Learning, measuring data and activity across the whole school community not just in academic achievement.
- In 2019, the DfE appointed the school as one of only nine national hubs for Modern Foreign Languages - our MFL Department now leads on research practices across a range of schools at both primary and secondary level with the core aim of driving growth in the uptake of MFL studies.
- As a Teaching School, we send Specialist Learning Educationalists to support schools in a number of subject areas.

The school continues to place an emphasis on personal development and has, in 2019, redesigned its tutor programme to support this. The school has also recently appointed an Associate Assistant Head for Mental Health to develop best practice for young people and staff in this important area. The school is a leader in monitoring staff workload and has presented its strategies at a range of conferences on this priority.

In 2019, the school was successful in being awarded £1.8 million from the Selective Schools Expansion Fund ("SSEF") and will be taking in an additional form of entry in September 2020. The school recognises the moral imperative of broadening access to grammar school places and has adapted its admissions policy to support this principle for the September 2020 entry. A supplementary grant from Buckinghamshire County Council will, together with the SSEF award, enable the school to develop its facilities to house the enlarged in-take, with a Sports Hall being built in readiness for September 2020 and additional classrooms subsequently being created.

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

Key Performance Indicators (continued)

Beechview Academy

Beechview's aim is to improve academic outcomes and raise the historic low expectations for all our children so that they are able to reach their full potential, not just while they are at Beechview but for the years ahead, in secondary, further education and the workplace. We feel strongly about the responsibility and the part we play in their early years.

Milestones in the past two years.

At our last Ofsted inspection, in June 2019, we were graded Requires Improvement, which was a major milestone in the school's recovery from long term Ofsted failure. Ofsted recognised the work that had been undertaken in the two previous years, and acknowledged that there were clear plans for further improvement.

The school has made major strides in tackling behaviour and attendance. Beechview's overall attendance figures are now above national averages, with over 96% attendance last year, and with very low levels of unauthorised or persistent absence. Behaviour is now consistently good among all children, with clear and consistent application of our behaviour policy. There are very few incidents of major behaviour problems and there were no significant instances of bullying last year. The introduction of a new governor with specific experience in, and responsibility for, Safeguarding has also strengthened this crucial area of our work. The introduction of two new Parent Governors will further strengthen our ties to the community and improve the quality of our communications.

Our focus on a holistic approach to the children's welfare encompasses concern for their home care, their diet and their overall health. Our Breakfast Club is offered free for all children and we consistently see in excess of 90 children (circa half the school) in attendance. The Club also gives us access to early signs of children's difficulties, and provides an informal setting for tackling everything from welfare to literacy.

Our Literacy and Numeracy performance figures (see below) put us well below the national expected standards so whilst a 35% improvement year on year is a fantastic achievement, we have to move fast to continue to improve.

Results

KS2 % at at least the expected standard	Reading/Writing TA/ Maths		
	2017	2018	2019
Beechview	28	28	38
Buckinghamshire	63	66	Tbc
National	61	64	Tbc

Beechview has adopted a renewed focus on core literacy, with support from the Driver Youth Trust ("DYT"), and core numeracy, with support via the Maths Hub and the Buckinghamshire Side by Side project. Our Partnership in Excellence ("PiXL") membership has sharpened the school's focus on and use of, high quality data to monitor pupil performance, and, crucially, has sharpened our interventions on those who are not thriving as expected.

DYT and Side by Side consultants provide challenge and training to teachers. We have also developed further collaboration with local schools, with Continuing Professional Development links with SWBGS, St Michael's, Danesfield, Aspire and Ivingwood School all planned for this year.

Major improvements to the school's Health and Safety and general environment have been achieved through government condition improvement funding ("CIF") over the last two years with a complete overhaul of the fire alarm system and replacement of all of the school's fire doors in 2018 and roof repairs and a complete overhaul of the water distribution system in 2019.

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

GOING CONCERN

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

FINANCIAL REVIEW

In another challenging year financially, both Academies in the MAT maintained spending in line with the budgets set whilst delivering an outstanding educational experience to our pupils. Decisions on expenditure were considered for value for money and the impact on pupil outcomes. Our focus on increasing donations and school fund income, in both our Academies, continued as we recognise that pressures on funding remain, and in order to continue to provide our valued extra curricula activities and enrichment, we need to source additional support.

The Statement of Financial Activities shows a surplus for the year of £2,052,906, but after excluding the capital funding income of £2,866,355, adding back depreciation charges of £313,688 and excluding the local government pension scheme adjustments of £716,000, the Trust generated a surplus of £216,239. Of this surplus, £135,000 is required as the commitment already made towards funding of Condition Improvement Fund (CIF) projects, and £94,076 has been used to fund fixed assets.

The benefits of sharing resources, including specialist staff, within the MAT, enabled resources to be channelled into improving teaching and learning, especially at Beechview.

Donations and Capital Grants show a significant increase this year. Our CIF grants have enabled us to replace SWBGS's Cloister roof and update some of its heating systems whilst at Beechview we have replacing the pitched roofs and water distribution system.

During the year we continued to monitor and evaluate our staffing costs against efficiency and effectiveness metrics, with the aim to achieve that optimum balance of resources relative to teaching and support staff and pupil numbers.

Finance and Audit issues are reviewed by the Trust's Finance and Audit Working Group ("FAWG") which takes recommendations to the MAT Board for agreement and approval. The FAWG is chaired by a director and has representatives from each of the LGBs and is attended by the Trust's chief financial officer with an open invitation to the heads of each of the academies in the Trust. The Finance working group's purpose is to consider and make recommendations in respect of all financial matters relating to the academies, including the setting of annual and strategic budgets; overseeing the financial management and procedures and ensuring compliance with legislation and ESFA policy.

The majority of day to day financial administration and control is delegated to the individual academies in line with their SoDs.

Reserves Policy

Marlow Education Trust intends to spend its General Academy Grant ("GAG") income in the year in which it is received. To this end, Directors and Governors approve a neutral academy budget. Within individual academies, contingency reserves are maintained to ensure that emergencies can be appropriately managed. Contributions towards specific projects are collated and spent against projects set by the Governors. Larger projects may attract reserve accruals across financial reporting periods.

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

Reserves Policy (continued)

At 31 August 2019 the total funds comprised:

	31 August 2019	31 August 2018
Unrestricted	259,244	232,724
Restricted:		
Fixed asset funds	20,957,059	18,310,316
Pension reserve	(2,959,000)	(2,243,000)
Other	763,149	667,506
	<u>£19,020,452</u>	<u>£16,967,546</u>

The increase in reserves reflects the surplus in the year details of which are contained in the financial review section above.

Investment Policy

The financial instruments in which the Trust deals are mainly bank balances, cash, trade creditors and limited trade debtors. The Trust has not made any investments in the period other than holding the cash in its bank account (including a balance of cash on a rolling 90-day deposit to raise interest income). As such, there is very little risk in the nature of the Trust's transactions.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Trust are:

Reputational risk – this is mitigated by high quality teaching, linked to excellent academic results, effective Interventions to ensure high standards of pupil behaviour in and around the community, regular reporting to local Governors on all forms of complaints from parents and the wider community, along with actions taken.

Performance risk – this is mitigated by strong professional development, effective systems for monitoring performance at all levels, an effective Performance Management system, monitored by local SLTs and local Governors.

Financial risk - The principal financial risks can arise from a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. These are mitigated by:

- running a continuous programme of recruitment open events - targeting prospective pupils (and their parents) at all entry levels of the academy;
- the preparation of robust budgets at a neutral (or surplus) level;
- monitoring of expenditure and income by the Trust Directors, the FAWG, local SLTs and by the local Governors – against the budgets;
- internal reviews and external audits; and
- Managing an effective, maintenance and upkeep plan for the site and facilities (overseen by the MAT buildings working group), coupled with adequate insurance against damage to property.

Risks associated with personnel are mitigated by high quality recruitment to ensure quality staff are employed, robust safeguarding procedures and effective risk assessment procedures to ensure the safety and well-being of staff. We have a strong cross MAT human resources team.

Regulatory risk - The principal risk here would be from any changes to regulations surrounding academies as charities and/or companies. These are mitigated by continual assessment by Directors and local Governors of regulation changes and robust adherence to DFE policies, along with continual advice from well informed professional legal and accountancy support.

The Trust practices, through its Board (principally via the LGBs and the constituted working groups), risk management principles such that any major risks highlighted at any LGB or sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

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

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The Directors accept managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Directors and LGBs collectively, whilst more minor risks are dealt with by the SLTs of individual academies.

FUNDRAISING

We make every effort to follow best practice, honesty and transparency in all our fundraising activities. Our activities are mainly performed by internal staff at each of our academies, with the exception of one off projects, such as our Telethon and consent capture at SWBGS. Where we use the services of external consultants, their performance and approach is closely monitored and directed by our internal staff.

We ensure that our activities and those of our consultants conform to recognised standards, including the GDPR regulations. We approach our contacts in a respectful way, being aware of the total number of times we ask for support and taking care to respect the expressions for opt out that we keep up to date on our databases.

We have had no complaints about our fundraising practices and continue to be vigilant about protecting the public from unreasonably intrusive or persistent approaches. We never put pressure on people to donate.

PLANS FOR FUTURE PERIODS

The Marlow Education Trust

The Trust's vision continues to be to develop a group of schools in Marlow and the surrounding area which work together to deliver the best outcomes for each pupil, whatever their ability, background or needs. Whilst, as noted in the strategic report above, we have suspended MAT expansion in the immediate future, we continue to prepare ourselves for this eventuality by focusing on the following priorities:

- To ensure good financial management, with a particular emphasis on achieving financial stability for Beechview Academy. This will largely be achieved through increasing pupil recruitment, as the school is currently undersubscribed.
- Fostering strong and working relationships between the academies within the MAT and the schools and academies, at both secondary and primary level, within Marlow and the surrounding area.
- Develop a central executive function that can meet the needs of a growing Trust.

Sir William Borlase's Grammar School

The Academy is currently rated Outstanding by Ofsted. Our priority for the next two years is to maintain and build upon this in line with the school's vision "Inspire ...Empower...to shape the Future". In order to do so, the school has identified the following development priorities:

- Complete our whole school Curriculum Review, which commenced in 2018 and implement appropriate planning.
- Having been awarded World Class School Status in 2019, continue to develop all our teachers as Outstanding Practitioners through an innovative research-based CPD programme.
- Prepare for the extra form of entry joining us in September 2020.
- With our new Specialist Tutors in place this year, build on our Tutoring Programming and our PSHE provision, ensuring the highest quality of support for all pupils covering the key agendas of Careers, Equalities, use of Social Media and Emotional Health.

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

PLANS FOR FUTURE PERIODS

Sir William Borlase's Grammar School (continued)

- Enrich our Sixth Form provision further through high level guided and supervised independent study and a supporting aspirations programme.
- Continue in the role of *Lead* Teaching School, enabling us to recruit our own School Direct training places and build on these numbers at a time of challenging recruitment. In this capacity we will further develop our outstanding provision of CPD to a wide audience of schools.
- Further develop our Fair Access programme through our Pupil premium Transition project and other collaborations.
- Year 2 as a DfE designated MFL Hub, working with 4 secondary schools in Buckinghamshire to raise attainment and uptake in MFL.
- Implement our Supporting aspirations Programme to support learners in being independent, and able to manage challenges.
- Focus on our academic priorities- key subjects at GCSE and further improving our L3VA at KS5 including raising our number of A* grades.
- Further develop links with our primary schools to improve understanding of KS2 for curriculum development.
- Continue to play a leading role in the developing Trust.
- Work in partnership with Great Marlow School to enhance our Rowing provision – we also continue to move forwards to developing a new joint boathouse.
- Embark on a Capital Campaign to extend on-site sporting provision within the new Sports Hall mentioned above.
- Continue to monitor and review health and well-being including staff workload.

The school will continue to offer a wide range of extra-curricular and super-curricular opportunities:

- There are clubs and competitions for students across almost all academic subjects.
- The Arts are thriving with 10 choral ensembles, 9 large instrumental ensembles and a large number of Dance ensembles including a very strong boys Dance company. Our outstanding choirs have been invited to form in a number of external venues.
- A wide range of sports continues to be offered from elite National level Hockey to KS3 Cheerleading.
- Rowing continues to thrive with the numbers participating growing in all year groups. An ambitious programme of training is in place with clear goals for their season ahead. We have increasing numbers of rowers being invited to GB Trials and gaining success.
- Duke of Edinburgh programme has record numbers taking up Bronze, Silver and Gold awards; this year's Gold Expeditions took the students to Snowdonia and Albania.
- We have recently launched a new variation on the Model United Nations programme to Year 9

The main focus of our wider curriculum development this year will be the strengthening of our Emotional Health and Wellbeing programmes.

Beechview Primary Academy

Beechview School was rated Requires Improvement at its recent Ofsted review. Its priority is to move as rapidly as possible to at least Good. To achieve this the school has identified the following priorities:

- Improve academic outcomes at KS2 to at least National Averages in all areas.
- Narrow the achievement gap between disadvantaged pupils and the rest of the cohort.
- Improve the quality of teaching to ensure that at least 70% of teaching is good or better.
- Improve the school's financial stability by increasing pupil recruitment to ensure that the school is no longer undersubscribed.

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Sir William Borlase's Grammar School Fund is an unincorporated Trust fund which was registered as a charity in the United Kingdom on 28 March 2003 (Charity Number 1096750). It is established to aid the advancement of education at Sir William Borlase's Grammar School by way of assisting in the provision of facilities for all pupils. The trustees the Marlow Education Trust are also trustees of this school fund charity. Monies held by the school fund charity held in a separate bank account from the Trust but are consolidated within these financial statements.

AUDITOR

In so far as the trustees are aware:

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

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 2 December 2019 and signed on the board's behalf by:

.....
I Duguid
Chair of Directors/Trustees

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

SCOPE OF RESPONSIBILITY

The 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 Trust directors/trustees have delegated the day-to-day responsibility to the Trust COO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned in the funding agreement between the Trust's Academies and the Secretary of State for Education. The Head teachers are also responsible for reporting to their LGB 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 directors / trustees have formally met 5 times during the year. Local governing bodies have met and attendance during the year at meetings were as set out below:

Trustee	Meetings attended	Out of a possible
Mr I Duguid (Chairman)	5	5
Mr A Handford	5	5
Mr R Krajewski	5	5
Mrs C Redcliffe	4	5

Sir William Borlase's Grammar School's local governing body has formally met times during the year and attendance at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dr H Bethell	3	4
Mrs A Brown	3	4
Mr K Gale	3	4
Mr E Hillyards (Resigned 30 Jun 19)	3	3
Mrs K Kennedy	3	4
Mr H Miall (Appointed 15 Oct 18)	2	3
Mr S Miall	4	4
Prof G Morgan	1	4
Mr T Presho	2	4
Mrs C Redcliffe (Chair)	4	4
Mr P Sharp	2	4

MARLOW EDUCATION TRUST
(A Company Limited by Guarantee)

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

GOVERNANCE (continued)

Beechview's local governing body has formally met 5 times during the year and attendance at meetings was as follows:

Trustee		Meetings attended	Out of a possible
Mrs M Bovington	(Staff Governor)	1	5
Mrs M Bull	(Resigned 11 Oct 18)	0	1
Mr A Coulthard		4	5
Ms B Day	(Appointed 11 Oct 18)	5	5
Mrs C Dollin		3	5
Mr A Handford	(Appointed 24 Sep 18)	5	5
A Perveen		3	5
P Rowe	(Appointed 24 Sep 18)	5	5

Attendance at Finance and Audit working Group meetings in the year was as follows:

	Meetings attended	Out of a possible
Mr R Krajewski	8	8
Mr K Gale	7	8
Mrs C Dollin	6	8

The majority of day to day administration and control is delegated to the individual academies in line with their SoDs (which are available on each academy's website).

The board has considered their effectiveness, especially in relation to the following areas: roles and responsibilities of Directors, Governors and Senior Leadership; assessment of the new Governors' days; and in building and establishing relationships within the wider Marlow community, with a view to broaden MAT expansion for the future. The board continued to drive the Executive Head Teacher and the LGB of Beechview to deliver improvements, as quickly as possible, especially in the areas of teaching and learning.

The board was satisfied that quality data was being produced by both academies in the Trust, and it will continue to use this data to drive improvements across the Trust.

REVIEW OF VALUE FOR MONEY

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

The Trust has worked to improve the use of its resources in the following ways:

By developing projects that will provide better value for money through economies of scale. These projects include our developing collaborations, both formal and informal, between academies within the Trust and with other schools.

By continuing to generate efficiencies in our curricular provision, particularly focusing on the sixth form. This has included a careful review of the range and number of A level subjects on offer at SWBGS and of the opportunities to offer a wider variety of courses through our membership of the South Bucks Consortium.

Constant review of the value for money of all school contracts.

Use of benchmark data for costs to ascertain areas of strength or areas with potential for improvement.

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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being 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 Marlow Education Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Trust board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the MAT board.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust board;
- regular reviews by the finance and audit working group 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 and segregation of duties;
- identification and management of risks.

The Trust board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The FAWG undertakes the role of the Audit Committee. During the reporting period, a representative from MHA MacIntyre Hudson has conducted four Financial Process Reviews and reported their findings to the FAWG. Their report then feeds back to the MAT Board and the LGBs on the operation of the systems of control and on the discharge of financial responsibilities. The FAWG considered each report from MHA MacIntyre Hudson and their recommendations.

Checks carried out during the year:

- testing of payroll systems
- grants and trip income
- testing of purchase and receivable systems
- testing of control account/bank reconciliations

On a half yearly basis the responsible officer reports to the MAT board, through the FAWG on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

REVIEW OF EFFECTIVENESS

As accounting officer the Chief Operating 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 staff within the Trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor; and
- the financial management and governance self-assessment process.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the FAWG and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 2 December 2019 and signed on its behalf by:

.....
I Duguid
Chair of Trustees

.....
P A Holding
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Marlow Education Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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

.....
P A Holding
Accounting Officer

2 December 2019

MARLOW EDUCATION TRUST
(A Company Limited by Guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Trustees on 2 December 2019 and signed on its behalf by:

.....
I Duguid
Chair of Trustees

MARLOW EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MARLOW EDUCATION TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

MARLOW EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MARLOW EDUCATION TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

MARLOW EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MARLOW EDUCATION TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

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

Date:

MARLOW EDUCATION TRUST
(A Company Limited by Guarantee)

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

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

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

Respective responsibilities of Marlow Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Marlow Education Trust's funding agreement with the Secretary of State for Education dated 28 September 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

MARLOW EDUCATION TRUST
(A Company Limited by Guarantee)

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and making appropriate enquires of the Accounting Officer.

Conclusion

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

Reporting Accountant

MHA MacIntyre Hudson

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

Date:

MARLOW EDUCATION TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	85,850	2,866,355	2,952,205	296,142
Charitable activities	4	-	7,177,323	-	7,177,323	6,929,502
Teaching schools	29	-	59,948	-	59,948	62,740
Other trading activities	5	48,188	190,115	-	238,303	267,511
Investments	6	1,797	-	-	1,797	1,293
Total income		49,985	7,513,236	2,866,355	10,429,576	7,557,188
Expenditure on:						
Charitable activities	8	12,517	7,594,619	313,688	7,920,824	7,818,280
Teaching schools	29	-	55,846	-	55,846	75,542
Total expenditure	7	12,517	7,650,465	313,688	7,976,670	7,893,822
Net income/ (expenditure)		37,468	(137,229)	2,552,667	2,452,906	(336,634)
Transfers between funds	19	(10,948)	(83,128)	94,076	-	-
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(400,000)	-	(400,000)	551,000
Net movement in funds		26,520	(620,357)	2,646,743	2,052,906	214,366
Reconciliation of funds:						
Total funds brought forward		232,724	(1,575,494)	18,310,316	16,967,546	16,753,180
Net movement in funds		26,520	(620,357)	2,646,743	2,052,906	214,366
Total funds carried forward		259,244	(2,195,851)	20,957,059	19,020,452	16,967,546

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 28 to 56 form part of these financial statements.

MARLOW EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07625556

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	15		19,600,986		18,208,864
			19,600,986		18,208,864
Current assets					
Debtors	16	2,751,059		513,211	
Cash at bank and in hand		1,330,996		1,397,396	
		4,082,055		1,910,607	
Creditors: amounts falling due within one year	17	(1,698,895)		(901,103)	
Net current assets			2,383,160		1,009,504
Total assets less current liabilities			21,984,146		19,218,368
Creditors: amounts falling due after more than one year	18		(4,694)		(7,822)
Defined benefit pension scheme liability	26		(2,959,000)		(2,243,000)
Total net assets			19,020,452		16,967,546
Funds of the Academy Trust					
Restricted funds:					
Fixed asset funds	19	20,957,059		18,310,316	
Restricted income funds	19	763,149		667,506	
Pension reserve	19	(2,959,000)		(2,243,000)	
Total restricted funds	19		18,761,208		16,734,822
Unrestricted income funds	19		259,244		232,724
Total funds			19,020,452		16,967,546

The financial statements on pages 25 to 56 were approved by the Trustees, and authorised for issue on 02 December 2019 and are signed on their behalf, by:

.....
I Duguid

Chair of Trustees

The notes on pages 28 to 56 form part of these financial statements.

MARLOW EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(1,225,614)	195,725
Cash flows from investing activities	23	1,162,342	26,347
Cash flows from financing activities	22	(3,128)	(3,128)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(66,400)	218,944
Cash and cash equivalents at the beginning of the year		1,397,396	1,178,452
Cash and cash equivalents at the end of the year	24	1,330,996	1,397,396
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 28 to 56 form part of these financial statements

MARLOW EDUCATION TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

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

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

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

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. 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**

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

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

1. Accounting policies (continued)

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Operating leases

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

1.7 Taxation

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

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

1.8 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account.

Depreciation is provided on all tangible fixed assets other than freehold and long leasehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

MARLOW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Freehold property	-	2% per annum on cost (buildings only)
Long leasehold property	-	2% per annum on cost (buildings only)
Equipment	-	15% per annum on cost
Motor vehicles	-	15% per annum on cost
Computer equipment	-	20% per annum on cost

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities and provisions

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

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

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

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

1. Accounting policies (continued)

1.12 Financial instruments

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

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

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

1.13 Pensions

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

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

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

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

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

2. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

MARLOW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. Income from donations and capital grants

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	85,850	-	85,850
DfE/ESFA capital grants	-	2,767,035	2,767,035
Other grants	-	5,320	5,320
Selective school expansion funding	-	94,000	94,000
	<u>85,850</u>	<u>2,866,355</u>	<u>2,952,205</u>
 Comparatives for the previous year			
	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Donations	59,709	-	59,709
DfE/ESFA capital grants	-	213,433	213,433
Other grants	-	23,000	23,000
	<u>59,709</u>	<u>236,433</u>	<u>296,142</u>

MARLOW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for the Academy Trust's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	5,660,235	5,660,235	5,338,948
Pupil premium	132,047	132,047	123,654
Other DfE/ESFA revenue grants	138,423	138,423	73,979
Start up grants	-	-	25,000
	<hr/> 5,930,705	<hr/> 5,930,705	<hr/> 5,561,581
Other government grants			
Other local authority revenue grants	22,729	22,729	29,183
Other government grants	86,536	86,536	89,246
	<hr/> 109,265	<hr/> 109,265	<hr/> 118,429
Other funding			
Trip income	950,792	950,792	1,085,760
Other income	186,561	186,561	163,732
	<hr/> 1,137,353	<hr/> 1,137,353	<hr/> 1,249,492
	<hr/> <hr/> 7,177,323	<hr/> <hr/> 7,177,323	<hr/> <hr/> 6,929,502

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

All of the 2018 funding for Academy Trust's educational operations was from restricted funds.

MARLOW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
School fund income	-	142,133	142,133
Hire of facilities	48,188	-	48,188
Other income	-	47,982	47,982
	<u>48,188</u>	<u>190,115</u>	<u>238,303</u>

Comparatives for the previous year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
School fund income	-	154,815	154,815
Hire of facilities	50,430	-	50,430
Other income	206	62,060	62,266
	<u>50,636</u>	<u>216,875</u>	<u>267,511</u>

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	<u>1,797</u>	<u>1,797</u>	<u>1,293</u>

All of the 2018 investment income was from unrestricted funds.

MARLOW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Academy's educational operations:				
Direct costs	4,343,364	-	1,607,975	5,951,339
Allocated support costs	926,622	745,000	297,863	1,969,485
Teaching school	47,912	-	7,934	55,846
	<u>5,317,898</u>	<u>745,000</u>	<u>1,913,772</u>	<u>7,976,670</u>

In 2019, of the total expenditure of £7,976,670 (2018: £7,893,822) £12,517 (2018: £11,243) was to unrestricted funds, £7,650,465 (2018: £7,567,983) was to restricted funds and £313,688 (2018: £314,596) was to restricted fixed asset funds.

Comparatives for the previous year

	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Academy's educational operations:				
Direct costs	4,147,757	-	1,729,078	5,876,835
Allocated support costs	892,981	663,611	384,853	1,941,445
Teaching school	65,400	-	10,142	75,542
Total 2018	<u>5,106,138</u>	<u>663,611</u>	<u>2,124,073</u>	<u>7,893,822</u>

MARLOW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Academy's educational operations	5,951,339	1,969,485	7,920,824

	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Academy's educational operations - 2018	5,876,835	1,941,445	7,818,280

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Teaching and educational support staff wages and salaries	4,343,364	4,147,757
Depreciation	88,321	97,874
Technology costs	137,575	114,230
Educational supplies	128,071	166,629
Examination fees	155,090	152,747
Educational consultancy	23,899	30,651
Other direct costs	1,075,019	1,166,947
	5,951,339	5,876,835

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Support staff wages and salaries	926,622	892,981
Pension finance costs	55,000	60,000
Depreciation	225,367	216,722
Technology costs	7,414	1,468
Premises costs	542,257	564,064
Other support costs	184,630	175,367
Governance costs	28,195	30,843
	<u>1,969,485</u>	<u>1,941,445</u>

9. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Gifts made by the trust	312	-	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	13,187	13,187
Depreciation of tangible fixed assets: - owned by charity	313,688	314,596
Fees paid to auditors for:		
- audit	12,000	12,000
- other services	16,195	19,580
	<u>341,970</u>	<u>355,363</u>

MARLOW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,955,018	3,776,110
Social security costs	371,327	362,441
Pension costs	972,753	950,030
	<u>5,299,098</u>	<u>5,088,581</u>
Agency staff costs	18,800	17,557
	<u><u>5,317,898</u></u>	<u><u>5,106,138</u></u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	78	69
Administration and support	81	73
Management	4	8
	<u>163</u>	<u>150</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	-
In the band £80,001 - £90,000	-	2
In the band £90,001 - £100,000	1	-
	<u><u>1</u></u>	<u><u>-</u></u>

MARLOW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Staff costs (continued)

d. Key management personnel

The key management personnel of the Academy Trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance) received by key management personnel for their services to the Academy Trust was £317,115 (2018 - £363,268).

12. Central services

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

13. Related party transactions - Trustees' remuneration and expenses

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

		2019	2018
		£	£
P Holding, Accounting Officer	Remuneration	65,000 - 70,000	80,000 - 85,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000

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

14. Trustees' and Officers' insurance

One of the academies in the Trust has opted into the Department of 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.

In accordance with normal commercial practice another academy in the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was included in the total insurance premium..

MARLOW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2018	2,704,696	16,366,789	15,610	521,895	270,449	19,879,439
Additions	813,609	820,033	11,200	49,044	11,924	1,705,810
Disposals	-	-	(4,110)	-	-	(4,110)
At 31 August 2019	<u>3,518,305</u>	<u>17,186,822</u>	<u>22,700</u>	<u>570,939</u>	<u>282,373</u>	<u>21,581,139</u>
Depreciation						
At 1 September 2018	62,737	1,082,704	15,610	353,756	155,768	1,670,575
Charge for the year	36,897	188,069	840	48,448	39,434	313,688
On disposals	-	-	(4,110)	-	-	(4,110)
At 31 August 2019	<u>99,634</u>	<u>1,270,773</u>	<u>12,340</u>	<u>402,204</u>	<u>195,202</u>	<u>1,980,153</u>
Net book value						
At 31 August 2019	<u><u>3,418,671</u></u>	<u><u>15,916,049</u></u>	<u><u>10,360</u></u>	<u><u>168,735</u></u>	<u><u>87,171</u></u>	<u><u>19,600,986</u></u>
At 31 August 2018	<u><u>2,641,959</u></u>	<u><u>15,284,085</u></u>	<u><u>-</u></u>	<u><u>168,139</u></u>	<u><u>114,681</u></u>	<u><u>18,208,864</u></u>

Included in long leasehold property is land at valuation of £7,057,500 (2018: £7,057,500) which is not depreciated.

Included in freehold property is land at valuation of £884,000 (2018: £884,000) which is not depreciated.

16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	20,957	11,294
Prepayments and accrued income	2,521,218	432,830
VAT recoverable	208,884	69,087
	<u><u>2,751,059</u></u>	<u><u>513,211</u></u>

MARLOW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	557,208	199,688
Other taxation and social security	181,575	174,776
Other creditors	41,011	40,524
Accruals and deferred income	919,101	486,115
	1,698,895	901,103
	2019	2018
	£	£
Deferred income		
Deferred income at 1 September 2018	448,250	469,782
Resources deferred during the year	405,539	448,250
Amounts released from previous periods	(448,250)	(469,782)
	405,539	448,250

At the Balance Sheet date, deferred income of £405,539 relates to funds received in advance for school trips after August 2019, SGO grant and rates grant received relating to the next academic year.

Included within other creditors falling due within one year in 2019 and 2018 is a Salix loan of £3,128 repayable as a reduction of revenue payments. No interest is charged on the loan.

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

	2019	2018
	£	£
Other loans	4,694	7,822

Included within other creditors falling due after more than one year is a Salix loan repayable at the rate of £3,128 per annum as a reduction of revenue payments. No interest is charged on the loan.

MARLOW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	232,724	49,985	(12,517)	(10,948)	-	259,244
Restricted general funds						
General Annual Grant	-	5,660,235	(5,626,292)	(33,943)	-	-
Other DfE/ESFA grants	92,244	138,423	(138,423)	-	-	92,244
Pupil premium	-	132,047	(132,047)	-	-	-
Funds transferred from local authority school	49,185	-	-	(49,185)	-	-
Other local authority grants	-	22,729	(22,729)	-	-	-
School fund	512,194	142,133	(1,407)	-	-	652,920
Other grants	13,883	86,536	(86,536)	-	-	13,883
Teaching school	-	59,948	(55,846)	-	-	4,102
Trip income	-	941,076	(941,076)	-	-	-
Other income	-	330,109	(330,109)	-	-	-
Pension reserve	(2,243,000)	-	(316,000)	-	(400,000)	(2,959,000)
	<u>(1,575,494)</u>	<u>7,513,236</u>	<u>(7,650,465)</u>	<u>(83,128)</u>	<u>(400,000)</u>	<u>(2,195,851)</u>
Restricted fixed asset funds						
Fixed asset fund	18,208,864	-	(313,688)	1,705,810	-	19,600,986
Devolved formula capital	-	100,087	-	(94,343)	-	5,744
Capital improvement fund	78,452	2,666,948	-	(1,410,924)	-	1,334,476
Selective school expansion fund	-	94,000	-	(89,029)	-	4,971
Donations	23,000	5,320	-	(17,438)	-	10,882
	<u>18,310,316</u>	<u>2,866,355</u>	<u>(313,688)</u>	<u>94,076</u>	<u>-</u>	<u>20,957,059</u>
Total Restricted funds	<u>16,734,822</u>	<u>10,379,591</u>	<u>(7,964,153)</u>	<u>10,948</u>	<u>(400,000)</u>	<u>18,761,208</u>
Total funds	<u><u>16,967,546</u></u>	<u><u>10,429,576</u></u>	<u><u>(7,976,670)</u></u>	<u><u>-</u></u>	<u><u>(400,000)</u></u>	<u><u>19,020,452</u></u>

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

19. Statement of funds (continued)

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

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

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

The pension reserve deficit represents the future pension funding requirements which will be met from future employer pension contributions.

School fund represents balances to be spent on school fund activities.

Funds from local authority school are to be spent on educational activities by the Academy.

Restricted fixed assets are funds representing the amounts invested in fixed assets, and unspent grants.

The transfer between unrestricted funds, restricted funds and restricted fixed asset funds represents amounts capitalised during the period less amounts funded from capital grants.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£	£
Sir William Borlase's Grammar School	776,411	705,762
Beechview Academy	167,582	116,068
MAT capacity grant	78,400	78,400
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,022,393	900,230
Restricted fixed asset fund	20,957,059	18,310,316
Pension reserve	(2,959,000)	(2,243,000)
	<hr/>	<hr/>
Total	19,020,452	16,967,546
	<hr/> <hr/>	<hr/> <hr/>

MARLOW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019
	£	£	£	£	£
Sir William Borlase's Grammar School	3,669,503	759,619	118,103	1,984,913	6,532,138
Beechview Academy	673,861	167,003	9,968	224,166	1,074,998
MAT capacity grant	-	-	-	-	-
Teaching School	47,500	412	-	7,934	55,846
Academy Trust	4,390,864	927,034	128,071	2,217,013	7,662,982

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19. Statement of funds (continued)

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

	Balance at 1 September 2017 as restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	350,185	51,929	(11,243)	(158,147)	-	232,724
Restricted general funds						
General Annual Grant	94,392	5,338,948	(5,436,087)	2,747	-	-
Other DfE/ESFA grants	101,644	73,979	(83,379)	-	-	92,244
DfE/ESFA start up grants	-	25,000	(25,000)	-	-	-
Pupil premium	-	123,654	(123,654)	-	-	-
Transfer on conversion	129,566	-	-	(80,381)	-	49,185
Other local authority grants	-	29,183	(29,183)	-	-	-
School fund	197,750	156,328	(31)	158,147	-	512,194
Other grants	13,996	89,246	(89,359)	-	-	13,883
Teaching school	6,920	62,740	(75,542)	5,882	-	-
Trip income	-	1,085,760	(1,085,760)	-	-	-
Other income	-	283,988	(283,988)	-	-	-
Pension reserve	(2,458,000)	-	(336,000)	-	551,000	(2,243,000)
	<u>(1,913,732)</u>	<u>7,268,826</u>	<u>(7,567,983)</u>	<u>86,395</u>	<u>551,000</u>	<u>(1,575,494)</u>
Restricted fixed asset funds						
Fixed asset fund	18,312,081	-	(314,596)	211,379	-	18,208,864
Devolved formula capital	-	30,230	-	(30,230)	-	-
Condition improvement fund	4,646	183,203	-	(109,397)	-	78,452
Donations	-	23,000	-	-	-	23,000
	<u>18,316,727</u>	<u>236,433</u>	<u>(314,596)</u>	<u>71,752</u>	<u>-</u>	<u>18,310,316</u>
Total Restricted funds	<u>16,402,995</u>	<u>7,505,259</u>	<u>(7,882,579)</u>	<u>158,147</u>	<u>551,000</u>	<u>16,734,822</u>
Total funds	<u><u>16,753,180</u></u>	<u><u>7,557,188</u></u>	<u><u>(7,893,822)</u></u>	<u><u>-</u></u>	<u><u>551,000</u></u>	<u><u>16,967,546</u></u>

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	19,600,986	19,600,986
Current assets	259,244	2,466,738	1,356,073	4,082,055
Creditors due within one year	-	(1,698,895)	-	(1,698,895)
Creditors due in more than one year	-	(4,694)	-	(4,694)
Pension scheme liabilities	-	(2,959,000)	-	(2,959,000)
Total	259,244	(2,195,851)	20,957,059	19,020,452

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	18,208,864	18,208,864
Current assets	232,724	1,576,431	101,452	1,910,607
Creditors due within one year	-	(901,103)	-	(901,103)
Creditors due in more than one year	-	(7,822)	-	(7,822)
Pension scheme liabilities	-	(2,243,000)	-	(2,243,000)
Total	232,724	(1,575,494)	18,310,316	16,967,546

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

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	2,452,906	(336,634)
Adjustments for:		
Depreciation	313,688	314,596
Capital grants from DfE and other capital income	(2,866,355)	(236,433)
(Increase)/decrease in debtors	(2,237,848)	85,592
Increase in creditors	797,792	33,897
Dividends, interest and rents from investments	(1,797)	(1,293)
Pension FRS 102 adjustments	316,000	336,000
Net cash (used in)/provided by operating activities	(1,225,614)	195,725

22. Cash flows from financing activities

	2019 £	2018 £
Repayments of borrowing	(3,128)	(3,128)

23. Cash flows from investing activities

	2019 £	2018 £
Return on investments and servicing of finance	1,797	1,293
Purchase of tangible fixed assets	(1,705,810)	(211,379)
Capital grants from DfE Group	2,861,035	213,433
Capital funding received from sponsors and others	5,320	23,000
Net cash provided by investing activities	1,162,342	26,347

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24. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	1,330,996	1,397,396

25. Capital commitments

	2019	2018
	£	£
Contracted for but not provided in these financial statements	1,495,270	78,452

26. Pension commitments

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

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

Contributions amounting to £85,285 were payable to the schemes at 31 August 2019 (2018 - £81,874) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

The Teachers' Pension budgeting and valuation account

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

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

Valuation of the Teachers' Pension Scheme

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

Scheme changes

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

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

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

The employer's pension costs paid to TPS in the year amounted to £438,237 (2018 - £411,970).

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

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

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26. Pension commitments (continued)

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 £347,000 (2018 - £328,000), of which employer's contributions totalled £275,000 (2018 - £259,000) and employees' contributions totalled £ 72,000 (2018 - £69,000). The agreed contribution rates for future years are 22.8 per cent for employers and 5.8 and 12.5 per cent for employees.

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

Principal actuarial assumptions

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

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.9	24.0
Females	24.8	26.1
<i>Retiring in 20 years</i>		
Males	24.6	26.3
Females	26.7	28.5

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26. Pension commitments (continued)

Sensitivity analysis - present value of obligation

	2019	2018
	£000	£000
Discount rate +0.1%	6,071	4,912
Discount rate -0.1%	6,363	5,146
Mortality assumption - 1 year increase	6,439	5,205
Mortality assumption - 1 year decrease	5,999	4,858
CPI rate +0.1%	6,352	5,138
CPI rate -0.1%	6,082	4,921

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

	At 31	At 31 August
	August 2019	2018
	£	£
Equities	1,748,000	1,462,000
Gilts	384,000	328,000
Other bonds	463,000	342,000
Property	222,000	204,000
Cash and other liquid assets	104,000	167,000
Alternative assets and other	335,000	282,000
Total market value of assets	3,256,000	2,785,000

The actual return on scheme assets was £252,000 (2018 - £86,000).

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

	2019	2018
	£	£
Current service cost	(483,000)	(533,000)
Past service cost	(51,000)	-
Interest cost	(55,000)	(60,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Statement of Financial Activities	(591,000)	(595,000)

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26. Pension commitments (continued)

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

	2019 £	2018 £
Opening defined benefit obligation	5,028,000	4,899,000
Current service cost	483,000	533,000
Interest cost	132,000	127,000
Employee contributions	72,000	69,000
Actuarial losses/(gains)	575,000	(532,000)
Benefits paid	(126,000)	(68,000)
Past service costs	51,000	-
Closing defined benefit obligation	6,215,000	5,028,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
Opening fair value of scheme assets	2,785,000	2,441,000
Interest income	77,000	67,000
Actuarial gains	175,000	19,000
Employee contributions	72,000	69,000
Benefits paid	(126,000)	(68,000)
Administration expenses	(2,000)	(2,000)
Employer contributions	275,000	259,000
Closing fair value of scheme assets	3,256,000	2,785,000

The amount showing in the Statement of Financial Activities is:

	2019 £	2018 £
Changes in financial assumptions	(575,000)	532,000
Return on plan assets	175,000	19,000
Actuarial gains/(losses) on defined benefit pension schemes	(400,000)	551,000

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26. Pension commitments (continued)

	2019	2018
	£	£
The amount recognised in the Balance Sheet was as follows:		
Present value of defined benefit obligation	(6,215,000)	(5,028,000)
Fair value of scheme assets	3,256,000	2,785,000
Defined benefit pension scheme liability	<u>(2,959,000)</u>	<u>(2,243,000)</u>

27. Operating lease commitments

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

	2019	2018
	£	£
Not later than 1 year	8,858	12,979
Later than 1 year and not later than 5 years	6,881	15,730
	<u>15,739</u>	<u>28,709</u>

28. Related party transactions

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

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

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29. Teaching school trading account

	2019 £	2019 £	2018 £	2018 £
Income				
DIRECT INCOME				
Teaching school grant	47,500		52,000	
OTHER INCOME				
Other teaching school income	12,448		10,740	
Total income		59,948		62,740
Expenditure				
DIRECT EXPENDITURE				
Direct staff costs	47,500		65,400	
Other direct costs	7,934		4,890	
Total direct expenditure	55,434		70,290	
OTHER EXPENDITURE				
Support staff costs	412		-	
Other support costs	-		5,252	
Total other expenditure	412		5,252	
Total expenditure		55,846		75,542
Transfers between funds excluding depreciation		-		5,882
Surplus/(deficit) from all sources		4,102		(6,920)
Teaching school balances at 1 September 2018		-		6,920
Teaching school balances at 31 August 2019		4,102		-