



Chartered Accountants
Local Matters, National Strength.

Matrix Academy Trust
Report of the Trustees and Financial
Statements
For the Year Ended 31 August 2017

Registration Number: 07654219

Matrix Academy Trust

For the Year Ended 31 August 2017

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Matrix Academy Trust

For the Year Ended 31 August 2017

Members	Mr J Bench Mr S Smith Dame Maureen Brennan (stepped down 11 December 2017) Mr I Bidmead (appointed 11 December 2017)
Trustees / Directors	Mr J Bench (Chairman) Mr S Smith Dame Maureen Brennan (Chief Executive) Mr K Hoey Ms D Park Mr S White (appointed 11 December 2017)
Company Secretary	Mr C Berry
Senior Leadership Team	Dame Maureen Brennan (Chief Executive & Accounting Officer) Mr R Doidge (Chief Financial Officer) Mr C Berry (Facilities Manager) Mr R Nicholls (Network Manager) Mrs L Doidge (HR Manager) Miss J Newsome (Leadership Consultant) Mr K Shilton (SCITT Director) Mrs L Draycott Mr I Smith Mr A Seager Mrs J Aulton (resigned 31 December 2016) Mr M Dunn (appointed 1 October 2016) Miss R Beards
Company Name	Matrix Academy Trust
Principal and Registered Office	Barr Beacon School Old Hall Lane Aldridge Walsall West Midlands WS9 0RF
Company Registration Number	07654219 (England & Wales)

Matrix Academy Trust

For the Year Ended 31 August 2017

Independent Auditor

Haines Watts Birmingham LLP
Sterling House
71 St Francis Road
Edgbaston
Birmingham
B16 8SP

Bankers

Lloyds Bank
595 Kingstanding Rd
Birmingham
B44 9TB

Solicitors

Browne Jacobson
Victoria Square House
Victoria Square
Birmingham
B2 4BU

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2017

The Trustees of Matrix Academy Trust present their annual report together with their financial statements and auditor's report of the charitable company for the year ended 31 August 2017. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

Matrix Academy Trust operates 3 secondary academies and an all through academy in the West Midlands. Its academies have a combined pupil capacity of 4637 and had a roll of 4026 in the school census October 2017.

Barr Beacon School	11-18	Walsall
Bloxwich Academy	3-18	Walsall
Etone College	11-18	Warwickshire
Dame Elizabeth Cadbury School	11-18	Birmingham

Structure, Governance and Management

Constitution

Matrix Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Matrix Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Matrix Academy Trust (company number 07654219).

The Charitable Company was incorporated on 1 June 2011 under the name Barr Beacon School Trust. On 1 July 2011, Barr Beacon School converted to academy trust status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to the Charitable Company from Walsall Local Authority. Barr Beacon School was designated an outstanding school in January 2014.

On 6 December 2013, Barr Beacon School Trust was renamed Matrix Academy Trust and converted into a Multi Academy Trust on 1 February 2014.

On 1 February 2014, Etone College transferred all of its operations, assets and liabilities to Matrix Academy Trust. Etone College had itself converted from a Local Authority School to an Academy Trust on 1 January 2012. Etone College had been placed in special measures in April 2013.

On 1 April 2015, The Mirus Academy (Walsall College Academies Trust) transferred all of its operations, assets and liabilities to Matrix Academy Trust. The Mirus Academy (Walsall College Academies Trust) had itself converted from a Local Authority School to an Academy Trust on 1 January 2012. The Mirus Academy has now changed its name to Bloxwich Academy. The Mirus Academy had been placed in special measures in November 2013.

On 1 October 2016, Dame Elizabeth Cadbury Technology College transferred all of its operations, assets and liabilities to Matrix Academy Trust. Dame Elizabeth Cadbury Technology College was a local authority school within Birmingham Local Authority. Dame Elizabeth Cadbury Technology College is now known as Dame Elizabeth Cadbury School. Dame Elizabeth Cadbury Technology College was recognised as a good school in November 2012.

Details of the trustees who served during the year and up to the date of signing this report 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.

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2017

Trustees' Indemnity

Subject to the provisions of the Companies Act 2006 every Trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

A Trustee may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of duty which they may be guilty in relation to the Academy Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust.

The policy for Trustee Indemnity is held with Zurich Municipal Ltd and the limit of this indemnity is £5,000,000 (5 Million Pounds).

Method of Recruiting and Appointment or Election of Trustees

The processes for appointing or electing the various types of Trustee at Matrix Academy Trust are as follows:

The Members shall appoint and may remove up to 5 Trustees.

Parent Trustees – There shall be a minimum of two Parent Trustees unless there are Local Governing Bodies which include at least two Parent Members.

Except for 16 - 19 Academies, Parent Trustees and Parent members of the Local Governing Bodies or Advisory Bodies shall be elected or appointed (in accordance with the terms of reference determined by the Trustees from time to time). The elected or appointed Parent Trustee or Parent members of the Local Governing Bodies or Advisory Bodies must be a parent of a registered pupil at one or more of the Academies (but not one of the 16- 19 Academies) at the time when he/she is elected or appointed.

The number of Parent Trustees and Parent members of the Local Governing Bodies or Advisory Bodies required shall be made up by Parent Trustees and Parent members appointed by the Trustees if the number of parents standing for election is less than the number of vacancies.

The Trustees shall make all necessary arrangements for, and determine all other matters relating to, an election of the Parent Trustee or Parent members of Local Governing Bodies or Advisory Bodies, including any question of whether a person is a parent of a registered pupil at one of the Academies (but not one of the 16 - 19 Academies). Any election of the Parent Trustees or Parent members of Local Governing Bodies or Advisory Bodies which is contested shall be held by secret ballot.

In appointing a Parent Trustee or Parent member of a Local Governing Body or Advisory Body the Trustees shall appoint a person who is the parent of a registered pupil at an Academy (but not one of the 16-19 Academies); or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2017

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

In the case of 16-19 Academies, Parent Trustees and Parent members of the Local Governing Bodies or Advisory Bodies shall either be elected by parents of registered students at the 16 to 19 Academies, pursuant to Articles 56B to 56C, or be appointed by the Trustees/Advisory Bodies/Local Governing Bodies, pursuant to Article 56D. The elected or appointed Parent Trustees or Parent members of the Local Governing Bodies or Advisory Bodies must be a parent of a student at one of the 16 to 19 Academies at the time when he is either elected or appointed.

The number of Parent Trustees and Parent members of the Local Governing Bodies or Advisory Bodies required shall be made up by Parent Trustees and Parent members appointed by the Trustees/Advisory Bodies/Local Governing Bodies if the number of parents standing for election is less than the number of vacancies.

The Trustees shall make all necessary arrangements for, and determine all other matters relating to, an election of the Parent Trustees or Parent members of Local Governing Bodies or Advisory Bodies, including any question of whether a person is a parent of a registered student at one of the 16-19 Academies. Any election of the Parent Trustees or Parent members of Local Governing Bodies or Advisory Bodies which is contested shall be held by secret ballot.

In appointing a Parent Trustee or Parent member of a Local Governing Body or Advisory Body, the Trustees/Advisory Bodies/Local Governing Bodies shall appoint a person who is the parent of a registered student at one of the 16 to 19 Academies; or where it is not reasonably practical to do so, a person who is the parent of a child above compulsory school age but not above the age of 19.

The Chief Executive shall be a Trustee for as long as he/she shall remain in office as such.

Term of Office - The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Chief Executive. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

Following their appointment/election all new Trustees will receive an introduction to their role from the Chairman and Headteacher, this introduction includes a tour of the School site(s), the opportunity to meet other members of the Leadership Team and support from the Trustees.

The Board of Trustees is committed to providing opportunities for Trustees to undertake and receive suitable training so as to enable them to undertake their role more effectively.

Trustees with specific roles within the Board of Trustees are encouraged to undertake specific training.

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2017

Organisational Structure

Matrix Academy Trust is a Multi Academy Trust with four independent schools forming that Trust, Barr Beacon School, Etone College, Bloxwich Academy and Dame Elizabeth Cadbury School.

The Board of Trustees are responsible for the strategic oversight of the trust. Operational management is the responsibility of the Chief Executive and staff. At Matrix Academy Trust the majority of roles and responsibilities of the Board of Trustees are dealt with at full Board of Trustees meetings. The Board of Trustees support the Accounting Officer in the performance of their duties. Where appropriate, duties are delegated to Local Governance Advisory Boards, committees and employees of the Trust, although the Board maintains overall control for the activities and performance of the trust. There are a small number of delegating committees – Staff Dismissal, Pupil Discipline, Appeals, Audit and Headteacher Appraisal. School policies are developed by the Leadership and Central Support Team incorporating statutory requirements and reflecting strategic direction agreed by the Trustees.

Trustees formally approve and adopt policies and Leadership, together with staff, implement the agreed procedures and protocols.

Arrangements for setting pay and remuneration of key management personnel

Key Management Personnel within the Trust's academies include the Trustees, the Senior Leadership Team and the Central Support Team. Pay and remuneration is determined by the trusts pay policy. Salaries are reviewed annually and can be changed during the year as per the trust or individual school's needs.

Connected Organisations including Related Party Relationships

Matrix Academy Trust has strong connections with a number of universities for both pupil and staff engagement.

Barr Beacon SCITT completed its first year with 29 colleagues completing the programme leaving with good or outstanding features. Matrix Academy Trust is a hub with the TES Institute for the Straight to Teach Programme.

Matrix Academy Trust also provided numerous school experience placement days.

Matrix Academy Trust offered support to a number of schools in the form of visiting Barr Beacon School to view good practice. Matrix Academy Trust also providing advice and guidance to colleagues from other schools.

Evolve Teaching School Alliance, based at Barr Beacon School has been a designated Teaching School since September 2014, and is a partnership working within and beyond our locality. The Alliance partnership offers a network of Primary and Secondary schools that collaborate effectively to share first hand outstanding training and practice in a variety of different specialisms. Evolve Teaching School Alliance is the lead in a SSIF bid to the NCTL working with 32 other schools over 4 local authorities (Walsall, Sandwell, Dudley and Wolverhampton). Evolve Teaching School Alliance Limited is also a member of the Black Country Teaching School Group.

The Chair of Trustees is a National Leader of Governance (NLG). He offers support to other governing bodies and has chaired an Interim Executive Board in a Walsall School in special measures.

The Chief Executive as a National Leader in Education (NLE) leads on pupil premium reviews together with Barr Beacon School as a National Support School (NSS). On 1 November 2017 the Chief Executive was elected onto the headteachers board for the west midlands working with the regional school's commissioner.

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2017

Objectives and Activities

Objects and Aims

The principal object and activity of Matrix Academy Trust is to advance for public benefit the provision of education in the United Kingdom. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education. It provides a balance and broad curriculum and meets the requirements of the Schools Admissions Code in drawing up its own Admissions Policy. The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit.

The main objectives of the Trust for the year ended 31 August 2017 are summarised as follows: -

- To provide the highest quality education for all its pupils;
- to provide value for money for the funds expended;
- to ensure that the Trust is suitably staffed;
- to comply with all statutory and curriculum requirements;
- to develop and maintain links with local industry and the wider community, including working with other educational establishments;
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness;
- To provide quality training for trainee teachers to improve the workforce of all schools within the trust and their local communities.

Objectives Strategies and Activities

Matrix Academy Trust aims to create a family of schools within the West Midlands, working collaboratively for the common good. Matrix Academy Trust does not intend to discriminate against any schools wishing to join the trust, and will accept, according to inspection regimes, those in outstanding and special measures category; additionally, the trust intends to achieve a mixture of sizes and phase schools as partners.

Matrix Academy Trust is aiming for regional regeneration through education, to help raise standards and aspirations of young people in the area. We want to work in collaboration with schools, not to impose. We see Matrix Academy Trust sharing success and best practice, whilst retaining individuality.

Our structured development and improvement process is built on the results the senior leadership team have achieved in education, helping to build a bespoke action plan to address school performance and improve the life chances of pupils.

The training of teachers and improvement of the workforce through our SCITT programme and 'grow your own' strategy, professional development, support and commitment to teacher training.

Matrix Academy Trust aim to reduce regional staff shortages, especially in specialist subjects.

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2017

Equality & Diversity Policy

The overall objective of Matrix Academy Trust's Equality and Diversity Policy is to provide a framework for its academies to pursue its equality duties to eliminate unlawful discrimination and harassment; promote equality of opportunity; and promote good relations and positive attitudes between people of diverse backgrounds in all of its activities.

The principles of this policy apply to all members of the extended trust's community - pupils, staff, the Board of Trustees, parents, volunteers and community members. Partners and contractors are also expected to abide by the policy.

We will not tolerate less favourable treatment of anyone on the grounds of gender, race, disability, sexual orientation, age, and religion or belief.

Through our school ethos, curriculum and community links, we will work towards: -

- a common vision;
- a sense of belonging for all;
- similar life opportunities for all;
- strong and positive relationships between different communities.

Equality and Diversity is more than just meeting legal obligations or targets. It's about making a difference to the lives of the communities we serve, treating all people with dignity and respect, and recognising the value of each individual. This means an on-going commitment to ensuring that our services meet the varied and individual needs of pupils in our schools.

Public Benefit

The Trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England & Wales. The Trustees have referred to the Charities Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities for the year. The Trust's academies continue to be at the heart of their community, promoting community cohesion and sharing facilities with the wider community.

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2017

Strategic Report

Achievements and Performance

In the year leading up to 31 August 2017 the following was achieved by Matrix Academy Trust:-

- Matrix Academy Trust has a shared system for monitoring and evaluating the quality of teaching in the trust
- Staff work collaboratively at all sites to ensure that good practice is shared across all schools in Matrix Academy Trust
- The Teaching School is successfully creating strong relationships within its alliance
- Barr Beacon SCITT
- Since Etone College joined Matrix Academy Trust the rate of improvement has accelerated impressively now being moved from Requires Improvement to Good.
- Bloxwich Academy achieved its highest GCSE results ever
- Quality of teaching in all schools has improved as reflected in improved pupil outcomes
- Strengthened Leadership within the MAT by employing Secondary and Primary consultants to increase school improvement capacity
- Dame Elizabeth Cadbury School joining Matrix Academy Trust as a good school. Adding capacity to the trust.
- Parental preferences for submissions into Year 7 have improved significantly for all schools
- Pupil Numbers have improved
- All schools within the trust were fully staffed with the exception of Bloxwich Academy – Primary
- Appointed a substantive headteacher for Bloxwich Academy – Primary

Key Financial Performance Indicators

- Maintain a healthy financial balance
- Maintain a healthy school roll
- Increase catering revenue
- Increase revenue from community budget
- Increase efficiency of energy usage
- Increase usage of local suppliers
- Standardised reporting
- Reduce sickness/absence levels
- Continue to promote professional development of staff
- Continue to maintain a full complement of staff

Going Concern

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

Financial Review

As shown in the Statement of Financial Activities on page 23, the combined Restricted General Fund and Unrestricted Fund show net expenditure for the year of £1,714,464 (2016: net income £1,729,623). This net expenditure, however, includes the value of the net liabilities (surplus on transfer of £273,155 less pension deficit on transfer of £2,208,000) of Dame Elizabeth Cadbury School which converted to academy status and joined Matrix Academy Trust during the year. Excluding these net liabilities transferred of £1,934,845, and also excluding the value of the Trust's notional pension charge in excess of the cash contributions made (excess of some £727,000), the underlying position is actually an operating surplus for the year of £947,381 (2016: £1,925,623). This operating surplus is the result of detailed and tight budgeting and budget control procedures which have been firmly embedded in the trust's daily financial management.

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2017

Financial Review - continued

Matrix Academy Trust received total income of £34,798,303 (2016: £21,090,092), of which £20,089,050 (2016: £17,073,152) was received from the DfE through the General Annual Grant (GAG) and £10,248,103 (2016: £nil) was in relation to the transfer from LA on conversion of Dame Elizabeth Cadbury School's assets and liabilities. Other income generated totalled £4,461,150 (2016: £4,016,940) was made through income streams such as additional grant income, hire of facilities, student teacher programmes, catering income and capital income.

The Trust was also awarded £217,564 from the Condition Improvement Fund during the year ended 31 August 2017, to replace the hot and cold water infrastructure at Etone College.

As indicated above Matrix Academy Trust generates income through the hire of facilities and services through its Leisure Centre, for the year ended 31 August 2017 this income totalled £150,237 (2016: £108,374).

In the year ended 31 August 2017 there was a total expenditure of £25,360,711 (2016: £19,967,208) (note 6). Staff salaries accounted for the majority of funds expended, which totalled £18,566,689 (2016: £14,638,172) (note 9).

Matrix Academy Trust's support staff of the schools within the Trust are entitled to membership of their respective Local Government Pension Scheme. The share of the deficit in the West Midlands Pension Fund apportioned to Barr Beacon School has been assessed at £2,369,000 (2016: £2,156,000), Bloxwich Academy's share of the deficit in the West Midlands Pension Fund has been assessed at £3,515,000 (2016: £3,646,000), Etone College's share of the deficit in the Warwickshire County Council Pension Fund has been assessed at £1,107,000 (2016: £2,083,000) and the share of the deficit in the West Midlands Pension Fund apportioned to Dame Elizabeth Cadbury School has been assessed at £2,272,000 (2016: £2,208,000).

The updating of and management of the asset register (note 14) shows that we have total fixed assets at cost or valuation of £58,696,941 (2016: £41,314,815), including land and buildings with a value of £54,668,538 (2016: £37,862,378). Depreciation charges for the year total £1,321,465 (2016: £1,349,101), which is calculated on the straight line depreciation method. Total net book value of assets for the year ended 31 August 2017 is £50,464,745 (2015: £34,404,084).

As defined in the Funding Agreement Articles of Association, no Trustee is employed by or receives any remuneration from the Academy Trust other than the Chief Executive. As defined, this clause only allows such a Trustee to receive remuneration or benefit from Matrix Academy Trust in his/her capacity as an employee of the Academy Trust. Please refer to note 8 in the Notes to Financial Statements.

Reserves & Investments Policy

The Trustees in conjunction with the main Board of Trustees review the resources of the Trust and recognise the need to have sufficient reserves to protect against reductions in funding. The reserves are held in line with DfE guidelines. The policy aims to carry forward sufficient funds to meet the Trust's long term aims and objectives, ensuring that this does not affect its current operational activities. The amount allocated to reserves is to accommodate and manage the lagged pupil funding due to a growth in pupil numbers.

Matrix Academy Trust seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds.

Within the year ended 31 August 2017 Matrix Academy Trust received £7,980 interest on investments.

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2017

Financial and Risk Management Objectives and Policies

Risk is the threat that an event or action will adversely affect the Academy Trusts ability to achieve its objectives and to successfully execute its strategies. As such, risk management is an integral part of good governance and is a process whereby there is shared awareness and understanding within the trust of:

- the nature and extent of the risks it faces
- the extent and categories of risks regarded as acceptable
- the likelihood and potential impacts of the risks materialising
- the ability to reduce the incidence and impact on the organisation of risks that do materialise
- regular and on-going monitoring and reporting of risk
- an appropriate assessment is made of the cost of operating particular controls relative to the benefit obtained in managing the related risk
- the trust conducts, at least annually, a review of the effectiveness of the system of internal control in place

The trusts system of internal control is part of its risk management process and has a key role to play in the management of significant risks to the fulfilment of its objectives. It also contributes to the safeguarding of public funds, the trusts assets and promotion of best value. Internal control facilitates the effectiveness and efficiency of operations, helps to ensure the reliability of internal and external reporting and assists compliance with laws and regulations.

The Trustees have adopted the Risk Registers based around those in the Academy's Handbook.

Risk Management

The Trustees have assessed the major risks to which the trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust and its finances.

The Trustees have implemented a number of systems to assess risks that the trust faces, especially in the operational areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to eliminate risk.

Where significant financial risk still remains they have ensured they have adequate insurance cover. The trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

Statement on the System of Internal Financial Control

As Trustees, we acknowledge we have overall responsibility for ensuring Matrix Academy Trust has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records, which disclose with reasonable accuracy and at any time the financial position of the academy trust and which enable us to ensure financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that: -

- the trust is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- the proper records are maintained and financial information used within the trust is reliable;
- the trust complies with relevant laws and regulations.

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2017

The trust's system of internal financial control is based on a framework of regular management information and 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 Board of Trustees;
- regular reviews by the Board of Trustees which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- delegation of authority and segregation of duties;
- identification and management of risks.

Principal Risks and Uncertainty

The principal risk areas are the protection of pupils, staff and assets as well as maintaining pupil numbers in order to manage the financial risks. Systems and procedures to minimise these are constantly being reviewed and updated.

Plans for Future Periods

Matrix Academy Trust's plans for the future are to:-

- To raise achievement for all pupils in Key Stage 3, 4 and 5
- Continue the drive to have outstanding schools within the Trust
- Expand the Multi Academy Trust
- Continue to develop an outstanding SCITT (School Centred Initial Teacher Training)
- Continue to recruit, train and maintain outstanding teaching and support staff
- Continue to contribute to school improvement at a local, regional, national and international level
- Continue to work with partners at DfE, ESFA, Local Authorities, Regional School Commissioners and other schools
- Monitor and review the governance of the schools within the trust
- To develop the leadership academy
- To expand primary expertise within the trust

Funds held as Custodian Trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

Insofar 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.

Trustees' report incorporating a strategic report, approved by order of the Board of Trustees, as the company directors on 11-12-17 and signed on the board's behalf by:

Mr Jeremy Bench
Chair of Trustees



Matrix Academy Trust

Governance Statement

For the Year Ended 31 August 2017

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Matrix Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Bench (Chairman)	5	5
Dame Maureen Brennan (Chief Executive and Accounting Officer)	5	5
Mr K Hoey	5	5
Ms D Park	5	5
Mr S Smith	4	5

During the year ended 31 August 2017 there have been no changes to the composition of the Board of Trustees.

The ESFA undertook a review of financial management and governance at the trust in May 2017 and published a report in October 2017, there were no regulatory issues. A full independent review of governance arrangements was requested by the ESFA.

A full independent review of governance arrangements was undertaken by J&G Marshall with a recommended action plan.

The trust intends to conduct an annual external review of governance with the next being undertaken by 30 November 2018.

The audit committee is a sub-committee of the main board of trustees. Its purpose is to provide assurances to the board of directors that risks are being adequately identified and managed by

- reviewing the risks to internal financial control at the trust
- agreeing a programme of work to address, and provide assurance on those risks
- review the reports of the responsible officer on the effectiveness of the financial procedures and controls

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr K Hoey	2	2
Mr S Smith	2	2

Matrix Academy Trust does not operate a Finance and General Purposes Sub-Committee.

Matrix Academy Trust

Governance Statement

For the Year Ended 31 August 2017

Review of Value for Money

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

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

Improving educational results

We have ensured that resources are directed where they are most needed and most effective in meeting educational requirements, for example by:

- Continuing the drive to raise standards so all academies become outstanding;
- Targeting resources in key target areas such as literacy and numeracy;
- Monitoring the needs of individual pupils and ensuring the support they receive is of the highest quality;
- Ensure every single young person who attends an academy within Matrix Academy Trust has the very best experience and achieves everything they are capable of;
- Closing the gap between the progress of disadvantaged pupils and non-disadvantaged pupils;
- Monitor the performance of staff to ensure that relevant action is taken where weaknesses are identified;
- Using the SCITT to provide a pipeline of quality first teachers to work within the trust.

The effectiveness of these strategies can be seen in the sustained performance of pupil achievement.

Maintaining the Focus on individual pupils

The trust has managed the differing needs of pupils, such as those requiring one to one support and those requiring more stretch by:

- Quality Year 7 catch up intervention in English and Maths
- More able pupils are challenged requiring additional planning
- Withdrawal from certain subjects in years 7, 8 and 9 to focus on additional literacy and numeracy work
- Success centre continues to work alongside the small proportion of disengaged pupils
- Purchasing equipment and additional resources for individual pupils where necessary
- Collapsed curriculum events to accelerate progress
- Discrete reading curriculum and support for the least able
- Educational visits
- Pupil premium is strategically used for intervention strategies to ensure we minimise underperformance.

Financial governance and oversight

The Board of Trustees receives and approves the Annual Budget, Annual Accounts and the External Auditors Management Report and is mindful of the need to balance expenditure against income to ensure the trust and its academies remain a 'going concern'.

Each appointed Headteacher will have overall responsibility for the day to day management of their academy budget. The Board of Directors, Chief Executive and CFO review financial performance.

Matrix Academy Trust

Governance Statement

For the Year Ended 31 August 2017

Better Purchasing

A register of all services and contracts has been developed and all contracts are appraised and renegotiated in a timely manner to get the best mix of quality and effectiveness for the least cost.

Some services have been terminated with external providers as the expertise is now available in house.

The Trust benchmarks financial performance against each of its academies along with other Trusts to demonstrate that the Trust provides good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive.

The Trust regularly takes opportunities to work collaboratively with others to reduce and share administration and procurement costs.

Better income generation

The Trust explores every opportunity to generate income through hire of Academy facilities, school to school support, catering, training for graduate teachers and teacher release.

Reviewing controls and managing risks

Budget holders, management and board of directors receive regular budget reports which are scrutinised to ensure the most effective use of resources to meet the objectives of the Trust.

The Trust from time to time moves balances to a high interest account to ensure maximum returns on surplus balances. This is reported to the board of directors and best options discussed on a regular basis.

Insurance levels are reviewed annually and used cost-effectively to manage risks.

The trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees have determined that an appropriate level of free reserves should be maintained. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, to plan for future capital projects and to make provision for fluctuations in pupil numbers.

The Headteacher at each academy will review expenditure within each capitation budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified.

Matrix Academy Trust

Governance Statement

For the Year Ended 31 August 2017

Lessons learned

What the Trust has done to appraise and learn from its strategies and decisions in order to make the budget go further are

- To use data to target resources and evaluate on an on-going basis to ensure funds are spent to best effect.
- To forensically monitor finances, this enables detailed management reports to be developed for the trustees, governance advisory boards and senior staff.
- The Trust has increased its use of specialist services, such as the provision of school Master plans detailing future development of the land and buildings based on capacity and curriculum needs to inform long term capital spend and aid grant applications.
- Ensure the due diligence check provides an accurate and detailed list of financial, legal and human resources commitments of any future academy joining the Matrix Academy Trust.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being 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 Matrix Academy Trust for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Matrix Academy Trust

Governance Statement

For the Year Ended 31 August 2017

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 Board of Trustees;
- regular reviews by the Board of Trustees 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 Board of Trustees has considered the need for a specific internal audit function after a review of the internal audit report by the appointed auditors HCSS Ltd on 5 December 2016 covering:

- School Development Plan
- Budgeting Process
- Governance and Internal Reporting
- Tendering Process

HCSS informed us in December that they would cease with immediate effect to be able to continue with their audit service during 2016/2017 financial year.

At the next audit committee meeting it was agreed to continue with an external supplier to perform additional checks. After competitive quotes were sought and reviewed, Services 4 Schools have been appointed as internal auditors from 1 September 2017.

Review of Effectiveness


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

- the work of the internal auditor/audit committee;
- the work of the external auditor;
- the governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 11-12-17..... and signed on its behalf by:


Mr Jeremy Bench
Chair of Trustees


Dame Maureen Brennan
Accounting Officer

Matrix Academy Trust

Statement on Regularity, Propriety and Compliance

For the Year Ended 31 August 2017

As accounting officer of Matrix Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material 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 2016.

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



Dame Maureen Brennan
Accounting Officer

Matrix Academy Trust

Statement on Trustees' Responsibilities

For the Year Ended 31 August 2017

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

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

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


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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education and Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on ...11-12-17... and signed on its behalf by:

Mr Jeremy Bench
Chair of Trustees



Report of the Independent Auditors to the Members of
Matrix Academy Trust

Opinion

We have audited the financial statements of Matrix Academy Trust (the 'charitable company') for the year ended 31 August 2017 on pages twenty three to forty six. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency (ESFA).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Report of the Independent Auditors to the Members of
Matrix Academy Trust

Responsibilities of trustees

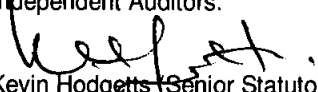
As explained more fully in the Statement of Trustees Responsibilities set out on page nine, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true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

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

Our responsibilities for the audit of the financial statements

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

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


Kevin Hodggett (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

Date: 21.12.2017

Independent Reporting Accountant's Assurance Report on Regularity to
Matrix Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 11 March 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Matrix Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Matrix Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Matrix Academy Trust's funding agreement with the Secretary of State for Education dated 28 January 2014 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- A review of the Academy Trust's accounting and internal control procedures; and
- Consideration and review of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.

Conclusion

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

Matter 1: The trust did not include in its internal control framework a process for independent checking of financial controls, systems, transactions and risks during the year ended 31 August 2017. The last report received was in respect of the previous financial period. An alternative internal auditor has been appointed from 1 September 2017.

Haines Watts

Haines Watts Birmingham LLP
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

Date: 21.12.2017

MATRIX ACADEMY TRUST

**Statement of Financial Activities
for the year ended 31 August 2017**

	Notes	Unrestricted funds £	Restricted funds £	Fixed asset funds £	2017 Total funds £	2016 Total funds £
Income and endowments from						
Donations and capital grants	2	-	35,692	290,573	326,265	759,818
Transfer from Local Authority on conversion	27	-	(1,934,845)	12,182,948	10,248,103	-
Charitable activities						
Funding for the academy's educational operations	3	-	21,963,385	-	21,963,385	18,792,300
Other trading activities	4	1,105,079	1,147,491	-	2,252,570	1,525,337
Investment income	5	7,980	-	-	7,980	12,637
Total		1,113,059	21,211,723	12,473,521	34,798,303	21,090,092
Expenditure on						
Raising funds		851,789	422,065	-	1,273,854	1,086,811
Charitable activities						
Academy's educational operations		-	22,765,392	1,321,465	24,086,857	18,880,397
Total	6	851,789	23,187,457	1,321,465	25,360,711	19,967,208
Net income/(expenditure)		261,270	(1,975,734)	11,152,056	9,437,592	1,122,884
Transfers between funds	21	-	(3,817,683)	3,817,683	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	1,528,000	-	1,528,000	(2,946,000)
Net movement in funds		261,270	(4,265,417)	14,969,739	10,965,592	(1,823,116)
Reconciliation of funds						
Total funds brought forward		997,786	(1,396,654)	34,404,084	34,005,216	35,828,332
Total funds carried forward		1,259,056	(5,662,071)	49,373,823	44,970,808	34,005,216

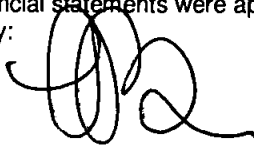
All of the academy trust's activities derive from acquisitions in the current year.

MATRIX ACADEMY TRUST

**Statement of Financial Position
At 31 August 2017**

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	14	50,464,745	34,404,084
Current assets			
Stocks	15	-	848
Debtors	16	1,394,069	970,642
Cash at bank		<u>4,865,566</u>	<u>7,294,377</u>
		6,259,635	8,265,867
Creditors			
Amounts falling due within one year	17	<u>(2,461,572)</u>	<u>(779,735)</u>
Net current assets		<u>3,798,063</u>	<u>7,486,132</u>
Total assets less current liabilities		54,262,808	41,890,216
Pension liability	22	<u>(9,292,000)</u>	<u>(7,885,000)</u>
Net assets		<u>44,970,808</u>	<u>34,005,216</u>
Funds	21		
Unrestricted funds:			
General fund		1,259,056	997,786
Restricted funds:			
Restricted general funds		3,629,929	6,488,346
Fixed asset funds		49,373,823	34,404,084
Pension reserve		<u>(9,292,000)</u>	<u>(7,885,000)</u>
		<u>43,711,752</u>	<u>33,007,430</u>
Total funds		<u>44,970,808</u>	<u>34,005,216</u>

The financial statements were approved by the Board of Trustees on11-12-17..... and were signed on its behalf by:



.....
Jeremy Bench
Chair of Trustees

MATRIX ACADEMY TRUST

Statement of Cash Flows
for the year ended 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	28	2,202,583	1,216,711
Interest paid		<u>(3,924)</u>	<u>(3,201)</u>
Net cash provided by (used in) operating activities		<u>2,198,659</u>	<u>1,213,510</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(5,199,178)	(1,378,752)
Capital grants from DfE/ESFA		290,573	742,362
Interest received		<u>7,980</u>	<u>12,637</u>
Net cash provided by (used in) investing activities		<u>(4,900,625)</u>	<u>(623,753)</u>
Cash transferred on conversion to an academy	27	<u>273,155</u>	-
Change in cash and cash equivalents in the reporting period		(2,428,811)	589,757
Cash and cash equivalents at the beginning of the reporting period		<u>7,294,377</u>	<u>6,704,620</u>
Cash and cash equivalents at the end of the reporting period		<u>4,865,566</u>	<u>7,294,377</u>

The notes form part of these financial statements

MATRIX ACADEMY TRUST

Notes to the Financial Statements for the year ended 31 August 2017

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Connected charities and subsidiary undertakings

Evolve Teaching School Alliance Limited is a Company Limited by Guarantee in which the Governing Body of Barr Beacon School Limited, acting as agent for Matrix Academy Trust, is the only member. These financial statements present the information of the Academy Trust as an individual entity only and do not consolidate the financial statements of Evolve Teaching School Alliance Limited. Exemption has been taken from the requirement to prepare consolidated group accounts on the grounds that the subsidiary is immaterial to the Academy Trust. The capital and reserves of Evolve Teaching School Alliance Limited at 31 August 2017 was negative £28,433 (2016: negative £20,106) and the deficit for the year was £8,327 (2016: £17,606).

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Agency arrangements

The academy trust acts as an agent in distributing Initial Teacher Training income from the NCTL and Worcester University. Payments received from NCTL and Worcester University and subsequent disbursements to the relevant schools are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 26.

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2017

1. Accounting policies - continued

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

Raising funds includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Costs of charitable activities are 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.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

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

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

Long leasehold buildings	-	50 years straight line basis
Leasehold land	-	not depreciated
Fixtures, fittings and equipment	-	3 years straight line basis
Computer equipment	-	3 years straight line basis
Motor vehicles	-	3 years straight line basis

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

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

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2017

1. **Accounting policies - continued**

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event it is probable that a transfer of economic benefit will be required in 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

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.

Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS102. The financial assets and liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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 note 17. 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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

Leased assets

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

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2017

1. Accounting policies - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy 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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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.

Conversion to an academy

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact upon the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

MATRIX ACADEMY TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2017**

2. Donations and capital grants

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Donations	-	35,692	35,692	17,456
Grants	-	<u>290,573</u>	<u>290,573</u>	<u>742,362</u>
	-	<u>326,265</u>	<u>326,265</u>	<u>759,818</u>

Grants received, included in the above, are as follows:

	2017 £	2016 £
Capital grants	<u>290,573</u>	<u>742,362</u>

3. Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
General Annual Grant (GAG)	-	20,089,050	20,089,050	17,073,152
Other DfE/ ESFA grants	-	1,444,734	1,444,734	1,500,567
Local authority grants	-	325,575	325,575	135,981
Special educational projects	-	<u>104,026</u>	<u>104,026</u>	<u>82,600</u>
	-	<u>21,963,385</u>	<u>21,963,385</u>	<u>18,792,300</u>

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Hire of facilities	150,235	-	150,235	108,374
Catering income	724,678	-	724,678	655,667
School fund income	-	322,593	322,593	340,744
Other income	230,166	126,358	356,524	420,552
SCITT income	-	<u>698,540</u>	<u>698,540</u>	-
	<u>1,105,079</u>	<u>1,147,491</u>	<u>2,252,570</u>	<u>1,525,337</u>

5. Investment income

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Deposit account interest	<u>7,980</u>	-	<u>7,980</u>	<u>12,637</u>

MATRIX ACADEMY TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2017**

6. Expenditure

		Non-pay expenditure		2017	2016
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Raising funds					
Costs of fundraising	385,942	45,925	841,987	1,273,854	1,086,811
Charitable activities					
Academies educational operations					
Direct costs	14,564,396	882,278	2,078,080	17,524,754	14,704,743
Allocated support costs	<u>3,616,351</u>	<u>1,124,119</u>	<u>1,821,633</u>	<u>6,562,103</u>	<u>4,175,654</u>
	<u>18,566,689</u>	<u>2,052,322</u>	<u>4,741,700</u>	<u>25,360,711</u>	<u>19,967,208</u>

Net income/(expenditure) is stated after charging/(crediting):

	2017	2016
	£	£
Auditors' remuneration	13,000	9,000
Auditors' remuneration for non audit work	10,412	7,196
Depreciation - owned assets	1,321,465	1,349,101
Other operating leases	<u>30,687</u>	<u>60,642</u>

7. Charitable activities - academy's educational operations

	Unrestricted funds	Restricted funds	2017 Total funds	2016 Total funds
	£	£	£	£
Direct costs	-	17,524,754	17,524,754	14,704,743
Support costs	<u>-</u>	<u>6,562,103</u>	<u>6,562,103</u>	<u>4,175,654</u>
	<u>-</u>	<u>24,086,857</u>	<u>24,086,857</u>	<u>18,880,397</u>

	2017 Total	2016 Total
	£	£
Analysis of support costs		
Support staff costs	3,616,351	2,055,316
Technology costs	4,374	459
Premises costs	1,124,119	1,040,973
Other support costs	1,567,529	921,257
Governance costs	<u>249,730</u>	<u>157,649</u>
Total support costs	<u>6,562,103</u>	<u>4,175,654</u>

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2017

8. Trustees' remuneration and benefits

The Chief Executive Officer and staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Dame M Brennan (Chief Executive Officer and trustee)		
Remuneration	£160,000 - £165,000	(2016 - £160,000 - £165,000)
Employer's pension contributions	£nil	(2016 - £20,000 - £25,000)

Trustees' expenses

During the year ended 31 August 2017 and 31 August 2016 no travel and subsistence expenses were reimbursed to nil trustees. Related party transactions involving the trustees are set out in note 25.

9. Staff costs

	2017	2016
	£	£
Wages and salaries	13,497,645	11,355,120
Social security costs	1,310,963	962,733
Operating costs of defined benefit pension schemes	3,164,364	2,070,018
Apprenticeship levy	22,864	-
	17,995,836	14,387,871
Supply teacher costs	570,853	250,301
	18,566,689	14,638,172

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	2017	2016
Teachers	235	193
Administration and support	249	199
Management	49	33
	533	425

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

	2017	2016
£60,001 - £70,000	7	5
£70,001 - £80,000	3	1
£80,001 - £90,000	1	4
£90,001 - £100,000	1	1
£160,001 - £170,000	1	-
	13	11

12 of the above employees participated in the Teacher's Pension Scheme.

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £904,190 (2016: £649,160).

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2017

10. Ex gratia payments

After the year end an ex-gratia payment of £1 was made to an employee in compensation for termination of their employment.

11. Trustees' and officers' insurance

In accordance with normal commercial practice the Academy 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 2017 was £744 (2016: £2,588).

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

12. Comparatives for the statement of financial activities (31 August 2016)

	Unrestricted fund £	Restricted funds £	Fixed asset funds £	Total funds £
Income and endowments from				
Donations and capital grants	17,454	3	742,361	759,818
Charitable activities				
Funding for the academy's educational operations	-	18,792,300	-	18,792,300
Other trading activities	955,680	569,657	-	1,525,337
Investment income	<u>12,637</u>	<u>-</u>	<u>-</u>	<u>12,637</u>
Total	985,771	19,361,960	742,361	21,090,092
Expenditure on				
Raising funds	774,440	312,371	-	1,086,811
Charitable activities				
Academy's educational operations	<u>-</u>	<u>17,531,297</u>	<u>1,349,100</u>	<u>18,880,397</u>
Total	774,440	17,843,668	1,349,100	19,967,208
Net income/(expenditure)	211,331	1,518,292	(606,739)	1,122,884
Transfers between funds	<u>-</u>	<u>(674,852)</u>	<u>674,852</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>(2,946,000)</u>	<u>-</u>	<u>(2,946,000)</u>
Net movement in funds	211,331	(2,102,560)	68,113	(1,823,116)
Reconciliation of funds				
Total funds brought forward	786,455	705,906	34,335,971	35,828,332
Total funds carried forward	<u>997,786</u>	<u>(1,396,654)</u>	<u>34,404,084</u>	<u>34,005,216</u>

MATRIX ACADEMY TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2017**

13. Central services

Barr Beacon School, as the lead school in the MAT, has provided the following central services to the academies during the year:

- > human resources
- > financial services
- > legal services
- > educational support services
- > facilities services
- > IT services

The trust charges for these services on a flat 3% of GAG income basis.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Barr Beacon School	220,510	-
Etone College	107,820	110,308
Bloxwich Academy	163,203	178,207
Dame Elizabeth Cadbury	107,802	-
	<u>599,335</u>	<u>288,515</u>

14. Tangible fixed assets

	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost					
At 1 September 2016	37,862,378	1,790,161	145,694	1,516,582	41,314,815
Additions	4,743,660	215,707	-	239,811	5,199,178
Transfer to ownership	<u>12,062,500</u>	-	-	<u>120,448</u>	<u>12,182,948</u>
At 31 August 2017	<u>54,668,538</u>	<u>2,005,868</u>	<u>145,694</u>	<u>1,876,841</u>	<u>58,696,941</u>
Depreciation					
At 1 September 2016	3,958,222	1,615,396	106,400	1,230,713	6,910,731
Charge for year	<u>882,278</u>	<u>140,994</u>	<u>30,565</u>	<u>267,628</u>	<u>1,321,465</u>
At 31 August 2017	<u>4,840,500</u>	<u>1,756,390</u>	<u>136,965</u>	<u>1,498,341</u>	<u>8,232,196</u>
Net book value					
At 31 August 2017	<u>49,828,038</u>	<u>249,478</u>	<u>8,729</u>	<u>378,500</u>	<u>50,464,745</u>
At 31 August 2016	<u>33,904,156</u>	<u>174,765</u>	<u>39,294</u>	<u>285,869</u>	<u>34,404,084</u>

Included in the cost or valuation of land and buildings is leasehold land of £2,744,038, which is not depreciated.

Long leasehold land and buildings transferred on conversion have been assessed by way of a replacement cost valuation in the absence of an ESFA valuation which is expected to be received in early 2018. In the 2017/18 accounts the valuation will be reviewed against the ESFA valuation for any material difference and adjusted where necessary.

15. Stocks

	2017 £	2016 £
Stocks	<u>-</u>	<u>848</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2017

16. Debtors: amounts falling due within one year

	2017	2016
	£	£
Trade debtors	84,404	29,715
Amounts owed by group undertakings	14,386	135,785
Other debtors	342,376	214,368
VAT recoverable	706,632	357,495
Prepayments and accrued income	<u>246,271</u>	<u>233,279</u>
	<u>1,394,069</u>	<u>970,642</u>

17. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	434,194	160,258
Social security and other taxes	295,102	271,127
Other creditors	262,990	2,073
Accruals and deferred income	<u>1,469,286</u>	<u>346,277</u>
	<u>2,461,572</u>	<u>779,735</u>

	2017	2016
	£	£
Deferred Income at 1 September 2016	78,045	91,737
Resources deferred in the year	90,994	78,045
Amounts released from previous years	<u>(78,045)</u>	<u>(91,737)</u>
Deferred Income at 31 August 2017	<u>90,994</u>	<u>78,045</u>

At the balance sheet date, the academy trust was holding funds in advance for the following:

	2017	2016
	£	£
Catering	7,901	6,817
Capital expenditure	46,855	39,541
Special education	Nil	4,124
Bursary funding	12,442	20,193
Free school meals	Nil	4,370
Skills for employment	Nil	3,000
SEN funding	4,713	Nil
ABP grant	14,583	Nil
SLC funding	4,500	Nil

18. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	24,000	36,368
Between one and five years	<u>22,888</u>	<u>46,936</u>
	<u>46,888</u>	<u>83,304</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2017

19. Members' liability

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

20. Analysis of net assets between funds

	Unrestricted fund	Restricted funds	Fixed asset funds	2017 Total funds	2016 Total funds
	£	£	£	£	£
Fixed assets	-	-	50,464,745	50,464,745	34,404,084
Current assets	1,259,056	4,953,724	46,855	6,259,635	8,265,867
Current liabilities	-	(1,323,795)	(1,137,777)	(2,461,572)	(779,735)
Pension liability	-	(9,292,000)	-	(9,292,000)	(7,885,000)
	<u>1,259,056</u>	<u>(5,662,071)</u>	<u>49,373,823</u>	<u>44,970,808</u>	<u>34,005,216</u>

21. Movement in funds

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/17 £
Unrestricted funds				
General fund	997,786	261,270	-	1,259,056
Restricted funds				
Restricted general funds	6,488,346	959,266	(3,817,683)	3,629,929
Fixed asset funds	34,404,084	11,152,056	3,817,683	49,373,823
Pension reserve	(7,885,000)	(1,407,000)	-	(9,292,000)
	<u>33,007,430</u>	<u>10,704,322</u>	<u>-</u>	<u>43,711,752</u>
TOTAL FUNDS	<u>34,005,216</u>	<u>10,965,592</u>	<u>-</u>	<u>44,970,808</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,113,059	(851,789)	-	261,270
Restricted funds				
Restricted general funds	23,419,723	(22,460,457)	-	959,266
Fixed asset funds	12,473,521	(1,321,465)	-	11,152,056
Pension reserve	(2,208,000)	(727,000)	1,528,000	(1,407,000)
	<u>33,685,244</u>	<u>(24,508,922)</u>	<u>1,528,000</u>	<u>10,704,322</u>
TOTAL FUNDS	<u>34,798,303</u>	<u>(25,360,711)</u>	<u>1,528,000</u>	<u>10,965,592</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2017

21. Movement in funds - continued

	Balance at 1 September 2016 £	Incoming Resources £	Resources Expended £	Gains, losses and Transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	6,407,011	20,089,051	(19,142,685)	(3,817,683)	3,535,694
Other DfE/ESFA grants	-	1,444,734	(1,444,734)	-	-
School fund	81,335	322,593	(315,099)	5,406	94,235
Other restricted funds	-	1,290,190	(1,557,939)	267,749	-
Transfer from Local Authority on conversion	-	273,155	-	(273,155)	-
	<u>6,488,346</u>	<u>23,419,723</u>	<u>(22,460,457)</u>	<u>(3,817,683)</u>	<u>3,629,929</u>
Pension reserve	(7,885,000)	-	(727,000)	(680,000)	(9,292,000)
Transfer from Local Authority on conversion	-	(2,208,000)	-	2,208,000	-
	<u>(1,396,654)</u>	<u>21,211,723</u>	<u>(23,187,457)</u>	<u>(2,289,683)</u>	<u>(5,662,071)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	2,672,025	290,573	(101,655)	-	2,860,943
Capital expenditure from GAG	2,172,673	-	(205,546)	3,817,683	5,784,810
Transfer from Local Authority on conversion	27,579,234	12,182,948	(946,321)	-	38,815,861
Other capital funds	1,980,152	-	(67,943)	-	1,912,209
	<u>34,404,084</u>	<u>12,473,521</u>	<u>(1,321,465)</u>	<u>3,817,683</u>	<u>49,373,823</u>
Total restricted	<u>33,007,430</u>	<u>33,685,244</u>	<u>(24,508,922)</u>	<u>1,528,000</u>	<u>43,711,752</u>
Unrestricted funds					
Generated funds	997,786	1,113,059	(851,789)	-	1,259,056
	997,786	1,113,059	(851,789)	-	1,259,056
Total funds	<u>34,005,216</u>	<u>34,798,303</u>	<u>(25,360,711)</u>	<u>1,528,000</u>	<u>44,970,808</u>

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency, Department of Education, or other funders.

Restricted Fixed Asset Funds are resources which are applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education, or other funders where the asset acquired or created is held for a specific purpose.

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2017

21. Movement in funds - continued

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Barr Beacon School	1,394,090	4,173,374
Etone College	1,246,537	1,434,034
Bloxwich Academy	1,913,301	1,878,724
Dame Elizabeth Cadbury School	209,929	-
Matrix Academy Trust	134,467	-
SCITT	(9,339)	-
	4,888,985	7,486,132
Total before fixed assets and pension reserve		
Restricted fixed asset fund	49,373,823	34,404,084
Pension reserve	(9,292,000)	(7,885,000)
	44,970,808	34,005,216
Total		

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other (excluding depreciation) £	Total £
Barr Beacon School	5,089,069	1,070,773	403,705	1,874,397	8,437,944
Etone College	2,817,502	582,459	240,221	461,952	4,102,134
Bloxwich Academy	3,994,502	1,340,237	362,228	822,947	6,519,914
Dame Elizabeth Cadbury School	2,486,155	792,727	268,126	557,745	4,104,753
Matrix Academy Trust	109,151	237,598	3,512	20,353	370,614
SCITT	45,151	5,392	8,710	444,634	503,887
	14,541,530	4,029,186	1,286,502	4,182,028	24,039,246
Total					

22. Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £262,990 were payable to the schemes at 31 August 2017 (2016: £76,234 included within prepayments) and are included within creditors.

Teachers' pension scheme

Introduction

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

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

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2017

22. Pension and similar obligations
- continued

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,617,124 (2016: £1,353,703).

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

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

MATRIX ACADEMY TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2017**

**22. Pension and similar obligations
- continued**

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £709,076 (2016: £444,753) of which employer's contributions totalled £27,657 (2016: £nil) for Matrix Academy Trust, £121,879 (2016: £112,747) for Barr Beacon School, £82,418 (2016: £87,004) for Etone College, £122,936 (2016: £110,285) for Bloxwich Academy and £182,928 (2016: £nil) for Dame Elizabeth Cadbury School. Employees' contributions totalled £8,798 (2016: £nil) for Matrix Academy Trust, £51,084 (2016: £52,949) for Barr Beacon School, £28,265 (2016: £28,869) for Etone College, £47,418 (2016: £52,899) for Bloxwich Academy and £35,693 (2016: £nil) for Dame Elizabeth Cadbury School. The agreed contribution rates for future years are 18.3% for Matrix Academy Trust, 16.9% for Barr Beacon School, 19.7% for Etone College, 16.48% for Bloxwich Academy and 20.9% for Dame Elizabeth Cadbury School for employers and between 5.5% and 12.5% for employees.

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

Barr Beacon School and Bloxwich Academy were notified by The West Midlands Pension Fund that additional employer's contributions would be introduced from 2014/15. All additional amounts will be phased lump sum contributions and the amounts notified as payable for Barr Beacon School are £47,500 for 2017/18, £49,400 for 2018/19, £51,300 for 2019/20 and £53,300 for 2020/21. The amounts notified as payable for Bloxwich Academy are £114,300 for 2017/18, £118,800 for 2018/19, £123,400 for 2019/20 and £128,200 for 2020/21.

Etone College was notified by Warwickshire County Council that instead of additional cash contributions being made a secondary employer contribution rate will be applied from 2017/18 onwards. The rates notified are 2.8% for 2017/18, 3.0% for 2018/19 and 3.3% for 2019/20.

Dame Elizabeth Cadbury School was notified by Birmingham City Council that additional employer's contributions would be introduced from 2016/17. The amounts notified as payable for 2017/18 are £112,680 for 2017/18, £117,120 for 2018/19 and £121,680 for 2019/20.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Present value of funded obligations	(16,339,000)	(12,878,000)
Fair value of plan assets	7,047,000	4,993,000
	<u>(9,292,000)</u>	<u>(7,885,000)</u>
Deficit	<u>(9,292,000)</u>	<u>(7,885,000)</u>
Liability	<u>(9,292,000)</u>	<u>(7,885,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Current service cost	1,010,000	472,000
Net interest from net defined benefit asset/liability	216,000	179,000
Administrative expenses	2,000	2,000
	<u>1,228,000</u>	<u>653,000</u>
Actual return on plan assets	<u>653,000</u>	<u>758,000</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2017

22. Pension and similar obligations
- continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Defined benefit obligation at start of the period	12,878,000	8,428,000
Current service cost	1,010,000	472,000
Contributions by scheme participants	208,000	135,000
Interest cost	331,000	335,000
Change in financial assumptions	149,000	3,554,000
Benefits paid	(68,000)	(40,000)
Business combinations	2,208,000	-
Experience loss/(gain)	(173,000)	(6,000)
Actuarial (gains)/losses from changes in demographic assumptions	(204,000)	-
	<u>16,339,000</u>	<u>12,878,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Fair value of scheme assets at start of the period	4,993,000	3,685,000
Assets interest	115,000	156,000
Contributions by employer	501,000	457,000
Contributions by scheme participants	208,000	135,000
Assets administration expenses	(2,000)	(2,000)
Expected return	1,262,000	602,000
Actuarial gains/(losses)	38,000	-
Benefits paid	(68,000)	(40,000)
	<u>7,047,000</u>	<u>4,993,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	204,000	-
Actuarial gains/(losses)	62,000	(3,554,000)
Expected return on assets	1,262,000	608,000
	<u>1,528,000</u>	<u>(2,946,000)</u>

MATRIX ACADEMY TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2017**

**22. Pension and similar obligations
- continued**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Matrix Academy Trust	Barr Beacon School	Etone College	Bloxwich Academy	Dame Elizabeth Cadbury School
Equities	63%	63% (2016: 59%)	65% (2016: 65%)	63% (2016: 59%)	63%
Government Bonds	7%	7% (2016: 7%)	22% (2016: 23%)	7% (2016: 7%)	7%
Other bonds	4%	4% (2016: 9%)	-	4% (2016: 9%)	4%
Property	7%	7% (2016: 8%)	11% (2016: 11%)	7% (2016: 8%)	7%
Cash	5%	5% (2016: 6%)	2% (2016: 1%)	5% (2016: 6%)	5%
Other	14%	14% (2016: 11%)	-	14% (2016: 11%)	14%
Total	100%	100% (2016: 100%)	100% (2016: 100%)	100% (2016: 100%)	100%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	Matrix Academy Trust 31.08.17	Barr Beacon School 31.08.17 (31.08.16)	Etone College 31.08.17 (31.08.16)	Bloxwich Academy 31.08.17 (31.08.16)	Dame Elizabeth Cadbury School 31.08.17
Rate of increase in salaries	4.2%	4.2%	3.0%	4.2%	4.2%
Rate of increase for pensions in payment/ inflation	2.7%	2.7%	2.4%	2.7%	2.7%
Discount rate for scheme liabilities	2.6%	2.6%	2.5%	2.6%	2.6%
Inflation assumptions (CPI)	2.7%	2.7%	2.4%	2.7%	2.7%
		(1.8%)	(1.8%)	(1.8%)	2.7%

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

	Matrix Academy Trust at 31.08.17	Barr Beacon School at 31.08.17 (2016)	Etone College at 31.08.17 (2016)	Bloxwich Academy at 31.08.17 (2016)	Dame Elizabeth Cadbury School at 31.08.17
Retiring today					
Males	21.8	21.8 (23.1)	22.5 (22.4)	21.8 (23.1)	21.8
Females	24.3	24.3 (25.8)	24.7 (24.4)	24.3 (25.8)	24.3
Retiring in 20 years					
Males	24.0	24.0 (25.3)	24.3 (24.3)	24.0 (25.3)	24.0
Females	26.6	26.6 (28.1)	26.7 (26.6)	26.6 (28.1)	26.6

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2017

22. Pension and similar obligations
- continued

Sensitivity analysis as at 31 August 2017
Matrix Academy Trust

	Sensitivity 1	Sensitivity 2	Sensitivity 3
	£000s	£000s	£000s
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	66	68	70
Projected service cost	139	144	149
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	68	68	68
Projected service cost	144	144	144
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	70	68	66
Projected service cost	149	144	139
Adjustment to life expectancy assumptions	+ 1 year	None	- 1 year
Present value of total obligation	70	68	66
Projected service cost	149	144	140

Barr Beacon School

	Sensitivity 1	Sensitivity 2	Sensitivity 3
	£000s	£000s	£000s
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	4,025	4,127	4,231
Projected service cost	334	343	352
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	4,148	4,127	4,106
Projected service cost	343	343	343
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	4,210	4,127	4,046
Projected service cost	352	343	334
Adjustment to life expectancy assumptions	+ 1 year	None	- 1 year
Present value of total obligation	4,264	4,127	3,994
Projected service cost	354	343	332

Etone College

	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	422
0.5% in the Salary Increase Rate	2%	53
0.5% increase in the Pension Increase Rate	11%	363

MATRIX ACADEMY TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2017**

**22. Pension and similar obligations
- continued**

Bloxwich Academy

	Sensitivity 1	Sensitivity 2	Sensitivity 3
	£000s	£000s	£000s
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	6,150	6,295	6,444
Projected service cost	318	325	333
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	6,321	6,295	6,269
Projected service cost	325	325	325
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	6,418	6,295	6,175
Projected service cost	333	325	318
Adjustment to life expectancy assumptions	+ 1 year	None	- 1 year
Present value of total obligation	6,500	6,295	6,096
Projected service cost	335	325	315

Dame Elizabeth Cadbury School

	Sensitivity 1	Sensitivity 2	Sensitivity 3
	£000s	£000s	£000s
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	2,426	2,496	2,568
Projected service cost	248	255	262
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	2,508	2,496	2,484
Projected service cost	255	255	255
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	2,556	2,496	2,438
Projected service cost	262	255	248
Adjustment to life expectancy assumptions	+ 1 year	None	- 1 year
Present value of total obligation	2,576	2,496	2,419
Projected service cost	263	255	247

23. Contingent liabilities

There were no contingent liabilities as at 31 August 2017 or 31 August 2016.

24. Capital commitments

	2017	2016
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>4,050,000</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2017

25. Related party disclosures

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest.

All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

Dame Maureen Brennan's son Mr S Brennan is employed at Barr Beacon School as a member of the support staff. He received remuneration from the trust during the year totalling £19,855 (2016: £17,833).

There were no other related party transactions for the year ended 31 August 2017 other than certain Trustees' remuneration and expenses already disclosed in note 8.

26. Agency arrangements

The academy trust distributes Initial Teaching Training income to schools as an agent for NCTL and Worcester University. In the year ended 31 August 2017 the trust received £28,000 from NCTL and £14,400 from Worcester University and disbursed both amounts from the fund during the year.

27. Conversion to an academy

On 1 October 2016, Dame Elizabeth Cadbury School converted to academy status and joined Matrix Academy Trust under the Academies Act 2010. All the operations, assets and liabilities were transferred to Matrix Academy Trust from Birmingham City Council for £nil consideration.

The transfers have been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as transfer from Local Authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2017

27. Conversion to an academy (continued)

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
- Leasehold land and buildings	-	-	12,062,500	12,062,500
- Other tangible fixed assets	-	-	120,448	120,448
Budget surplus on LA funds	-	267,749	-	267,749
Budget surplus on other funds	-	5,406	-	5,406
LGPS pension (deficit)	-	(2,208,000)	-	(2,208,000)
Net assets	<u>-</u>	<u>(1,934,845)</u>	<u>12,182,948</u>	<u>10,248,103</u>

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

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	9,437,592	1,122,884
Adjustments for:		
Depreciation	1,321,465	1,349,100
Capital grants from DfE/ESFA	(290,573)	(742,362)
Transfer from Local Authority on conversion	(10,248,103)	-
Interest received	(7,980)	(12,637)
Interest paid	3,924	3,201
Decrease/(increase) in stocks	848	(848)
Increase in debtors	(423,427)	(131,947)
Increase/(decrease) in creditors	1,681,837	(566,680)
Difference between pension charge and cash contributions	727,000	196,000
Net cash provided by (used in) operating activities	<u>2,202,583</u>	<u>1,216,711</u>