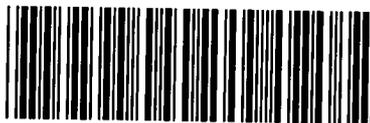


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**MARKET FIELD LEARNING COMMUNITY**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

|                 |   |
|-----------------|---|
| <b>Members</b>  | A Bridge<br>R Morris<br>M Andrews<br>C Haynes   |
| <b>Trustees</b> | M Andrews, Chair of Trustees <sup>1</sup><br>A Goggin <sup>1</sup><br>I Coleman <sup>1</sup><br>J Addison (appointed 1 November 2018)<br>B Shaw (appointed 31 January 2019)<br>Sir B Russell (resigned 23 September 2018)<br>H Barker (resigned 23 September 2018) <sup>1</sup><br>H Byford (resigned 24 September 2018)<br>P Barrett (resigned 24 September 2018)<br>L Frances (resigned 27 September 2018)<br>G Smith, Chief Executive <sup>1</sup> |

<sup>1</sup> Member of the Finance Committee

|  |   |
|--|---|
| <b>Company registered number</b>       | 10391530  |
| <b>Company name</b>                    | Market Field Learning Community   |
| <b>Principal and registered office</b> | School Road<br>Colchester<br>CO7 7ET  |
| <b>Chief executive officer</b>         | G Smith   |
| <b>Senior management team</b>          | Gary Smith, CEO<br>Ruth Whitehead, Headteacher - Market Field School<br>Julian Cochrane, Headteacher - Southview School |
| <b>Independent auditors</b>            | MWS<br>Chartered Accountants<br>Kingsridge House<br>601 London Road<br>Westcliff-on-Sea<br>Essex<br>SS0 9PE             |
| <b>Bankers</b>                         | Lloyds Bank PLC<br>PO Box 1000<br>BX1 1LT   |

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates two special academies in Essex. The Trust has combined pupil capacity of 425.

**Structure, governance and management**

**a. Constitution**

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Market Field Learning Community are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Market Field Learning Community.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. 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.

**c. Trustees' indemnities**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides unlimited cover on any one claim and details of the costs are disclosed in Note 14 to the accounts.

**d. Method of recruitment and appointment or election of Trustees**

When the Trust was formed on the 1st December 2016, the governors who were already serving on the governing body for Market Field School were transferred across and appointed as trustees. Southview's existing governors automatically became members of their local governing body. The members have approved a new structure, which will include a central trust board and a local governing bodies for Market Field School. The skills required for the trust board have been identified and trustees are being recruited when they match the skill requirements.

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

**Structure, governance and management (continued)**

**e. Policies adopted for the induction and training of Trustees**

The Trust is committed to providing adequate opportunities for trustees and governors to undertake and receive suitable training to enable them to perform their role effectively. To this end the trust purchases a governance support and training service from an external provider. The trust has also used an external company that specialises in academy financial monitoring and governance requirements, to provide expert advice and training for the trustees. The trust has an induction policy which sets out the induction programme for new trustees. The induction programme includes a tour of the academy, meetings with students and staff, and provision of policy and procedures documents that are appropriate to the role they undertake.

**f. Organisational structure**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education. The structure consists of the full board of trustees and two sub committees which are Finance and Audit and Standards and Personnel.

The full board of trustees, and its' two sub committees met at least three times in the year. The full board of trustees is responsible for the strategic direction of the Trust. The trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust by the use of those budgets, and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments.

The Senior Leadership Team control individual academies at an executive level and ensure policies are implemented. The SLT is responsible for the day to day operation of their Academy, in organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets, and for the appointment of staff following vetting and safeguarding recruitment processes.

The Trust's CEO is the Accounting Officer.

**g. Arrangements for setting pay and remuneration of key management personnel**

The board of trustees is responsible for establishing the overall guidelines for pay, and has specific responsibility for setting the remuneration of the CEO and Senior Management Team. In doing so the board takes advice from a specialist HR advisory company who ensure that remuneration is in line with the nationally agreed Teachers Pay and Conditions, and the trust's own pay policy. Executive leaders pay is regularly benchmarked against similar roles in the public sector to ensure value for money.

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

**Structure, governance and management (continued)**

**h. Related parties and other connected charities and organisations**

Owing to the nature of the Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it may be that from time to time transactions will take place with organisations in which members of the board of trustees may have an interest. All transactions involving such organisations would be conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. Any transaction where the trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook. There were no such transactions for the accounting period.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Essex Special Schools Education Trust (ESSET) for whom the CEO is the Chair of Trustees. ESSET is a private limited company by guarantee that provides educational support services to improve specialist education provision.
- Essex County Council who are responsible for the coordination of special needs provision in the county.

In addition, The Trust is in partnership with three teaching school alliances, North East Essex Teaching School Alliance, Essex Teaching Training and Essex Schools ITT Partnership. The alliances provide training advice on the delivery of special needs education, and supporting with teacher and student work placements.

**i. Trade union facility time**

The trust has not trade union officials that require trade union facility time.

**Objectives and activities**

**a. Objects and aims**

The principal object and aim of the charitable company is to advance for the public benefit education in the United Kingdom, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a trust specifically organised to make special educational provision for children with special educational needs.

**b. Objectives, strategies and activities**

In order to meet these objectives and aims and to provide exceptional learning opportunities for the pupils of the Trust, management have concentrated on the following key priorities:

- Expanded school provision to meet massive demand, successful CIF bid means £1 million ESFA investment.
- Post 16 now up to capacity.
- Ensuring the trust delivers outstanding teaching and learning to ensure the highest possible achievement for each individual pupil.
- Ensuring the trust has the right structures and ethos to provide the highest possible level of care and support for each individual pupil.
- Ensuring the trust is innovative and proactive working in partnership within the locality.

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

**Objectives and activities (continued)**

**c. Public benefit**

The trustees believe that by working towards the objects and aims of the Trust as detailed above, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

The trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

Market Field is currently judged as outstanding and may be due an inspection in 2019/2020.

Southview was judged inadequate in February 2017 due solely to having to implement a more robust safeguarding process. This was rectified immediately and received a subsequent Section 8 inspection confirming all was very much in order and congratulating the school.

As a trust we are very proud of the efficiency and professionalism by which this was accomplished.

The Finance and Audit Committee regularly monitor the key financial performance indicators. The final KPIs for the period were as follows;

Staff Costs to Income - 82% (2018: 77%)

Government Funding to Total Income – 95% (2018: 96%)

Cash balances to Income - 0.24 (2018: 0.29)

Assets vs Liabilities – 4.01 (2018: 6.05)

All the above KPIs were within the parameters set by the board.

**b. Going concern**

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

**Strategic report (continued)**

**Achievements and performance (continued)**

**c. Achievements and performance**

The Trust continued its mission to ensure that pupils achieved their full potential, to recruit, develop and retain suitable staff, and to guide pupils in suitable progression when they leave the academy.

Specific notable achievements were as follows:

The trust has expanded capacity to meet the needs of growing demand.

Post 16 provision has expanded as envisaged and the range of courses on offer has increased and improved.

Training has continued to increase understanding and awareness of range of pedagogy.

Exam successes are a continual tribute to our staff and children.

- 100% of former year 11 students passed their GCSE exams this summer.
- 100% of former year 11 students passed their Entry Level exams this summer.
- Of the students entered for Functional Skills exams at Level 1 and Level 2, the pass rates were as follows:-
  - 100% at Level 1 (across English, Maths and ICT)
  - 67% at Level 2 (across Maths, English and ICT)
- The GCSE cohort gained an average of 4 GCSE's or equivalent qualifications each with the overall cohort gaining 97 qualifications between them and an average of 5 each.

**Financial review**

**a. Financial review**

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2019 the Trust received £6,137,646 (2018: £5,137,751) of GAG and other government funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of special education. During the year the Trust spent £6,835,612 (2018: £4,859,386) on expenditure. In the prior year the Trust received a donation on conversion from the predecessor school Southview School of £94,302. The reserves to take forward into 2018-19 are £505,458 (2018: £702,186) of restricted funding and £896,346 (2018: £818,136) of unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £3,628,000 (2018: £2,380,000). This does not mean that an immediate liability for this amount crystallises, and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

**Strategic report (continued)**

**Financial review (continued)**

**b. Reserves policy**

A reserves policy was approved by the board of trustees on 11th July 2018. The trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure unless a specific planned use of brought forward reserves is being made for investment in trust development. The trustees monitor estimated year-end reserves figures via the receipt of monthly management accounts. The budget plan identifies how any reserves will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £896,346 (2018: £818,136). The restricted general funds total £559,901 (2018: £702,186). This has been built up from a mixture of balances transferred from the predecessor school, an increase in high needs funding received from the LA, an increase in the pupil numbers on roll and donations made to the school. The trustees ensure that all reserves are deployed effectively and for maximum impact, and have plans to utilise surplus funds to grow and expand the trust while holding a reasonable level of funds as a contingency for unexpected events.

The Trust has a healthy cash balance and forecast shows that the trust will have no cash flow issues in the medium term.

**c. Investment policy**

An investment policy was approved by the Board on 11th July 2018. The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

**Strategic report (continued)**

**Financial review (continued)**

**d. Principal risks and uncertainties**

The Trust works with a central risk register identifying the major risks, to which the trust is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Trust Board and Local Governing Bodies. The principal risks facing the Trust are outlined below;

- The Trust has considerable reliance on continued Government funding through the ESFA and Essex County Council, and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The trustees continue to review and ensure that appropriate measures are in place to mitigate these risks and the trustee board is currently undergoing a restructure to ensure the board has the appropriate range of skills to govern the Trust effectively;
- The continuing success of the Trust is dependent on continuing to maintain the outstanding education provision it currently delivers. To mitigate this risk trustees, ensure that pupil progress and outcomes are closely monitored and reviewed;
- The Trust is reliant on the quality of its staff. The trustees monitor and review policies, procedures and recruitment to ensure continued development and training of staff, as well as ensuring there is clear succession planning;
- All organisations run the risk of fraud and mismanagement of funds. The Trust has appointed an independent professional to carry out auditing work on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- To support the expansion of The Trust a new and emergent leadership structure is currently being embedded. As with any new structure this will take time, and trustees will ensure support is provided to personnel in new posts and that staff performance and standards are monitored.

**Fundraising**

On occasions, the trust organises fundraising events. This is always done in conjunction with staff of the trust who ensure fundraising conforms to recognised standards. The trust does not use professional fundraisers or involve commercial participators. In accordance with data protection regulations, permission is sought before marketing directly to individuals and on the rare occasion that marketing is undertaken this is neither intrusive or persistent. There have been no complaints about fundraising this year.

**Plans for future periods**

The trust plans to continually improve the educational experience of special needs students both within in its own trust but also on a wider scale throughout Essex county. After recent growth and expansion, the immediate plans are to consolidate this rapid period of growth and ensure that teaching and learning and business practices are of a high quality across the trust with a focus on the continued expansion of the new 6th form centre and the opening of a new free school which will specialise in the provision of education for autistic pupils.

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

**Employee involvement and employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The academy trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy trust's equal opportunities policy, the academy trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy trust's offices.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 12 December 2019 and signed on its behalf by:

  
.....  
M Andrews  
Chair of Trustees

  
.....  
G Smith  
Accounting Officer

## MARKET FIELD LEARNING COMMUNITY

(A company limited by guarantee)

### GOVERNANCE STATEMENT

#### Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Market Field Learning Community 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 |
|------------------------------|-------------------|-------------------|
| M Andrews, Chair of Trustees | 4                 | 5                 |
| A Goggin                     | 5                 | 5                 |
| I Coleman                    | 4                 | 5                 |
| J Addison                    | 4                 | 5                 |
| B Shaw                       | 3                 | 4                 |
| G Smith, Chief Executive     | 5                 | 5                 |

Following the transfer of Southview School into the trust, the governance structure was reviewed to set up local governing bodies for each school in the trust and a new trust board.

The Trust Board oversees the work of the Trust in line with the updated scheme of delegation and meeting schedule.

Each school has now standardised data presented to the Local Government Body.

#### Governance Reviews

As a result of an evaluation of skills following the governance restructure, two new trustees with backgrounds in law and in education were recruited to the board. In April 2020 the Trust will carry out a further self-evaluation to identify skills needed to strengthen governance and to diversify in composition. The trust has also recognised it needs to expand its number of serving trustees to increase capacity and its continually looking to recruit.

The Finance and Audit Committee is a sub-committee of the main board of Trustees. Its purpose is to address financial matters, monitor the efficiency of the trust and monitor the trust's internal control framework and compliance with regulations.

Attendance during the year at meetings was as follows:

| Trustee   | Meetings attended | Out of a possible |
|-----------|-------------------|-------------------|
| M Andrews | 4                 | 4                 |
| A Goggin  | 2                 | 4                 |
| I Coleman | 4                 | 4                 |
| G Smith   | 3                 | 4                 |

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

As accounting officer, the Chief Executive Officer 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 whether the trust's use of its resources is providing good value for money and reports this to the board of trustees where value for money can be improved, including the use of benchmarking data.

The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Increasing the number of pupil places on offer at Market Field School which has resulted in a significant increase in revenue funding
- Saving staff costs by sharing staff between academies
- Reducing staff absence insurance costs
- Saving costs by changing broadband provider
- Successfully applying for CIF funding to expand Market Field site.

The board of trustees have been robust in their challenge of spending and budget allocation to ensure that the school was able to set a balanced budget for 2018-19 and 2019-20. The Trust has a healthy level of reserves.

**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 Market Field Learning Community for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**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 Finance and General Purposes Committee 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 and has decided to appoint Price Bailey as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included [insert details of the checks carried out.

- Revisiting areas raised in the external audit management letter to ensure this matters had been resolved. The reviewer carried out an audit at both Market Field School and Southview School and reported to the board of trustees via the Finance and Audit Committee. Actions plans have been prepared to address any areas identified as requiring improvement and these are monitored by the trustees and local governing bodies.

On an annual basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

**Review of effectiveness**

As accounting officer, the Chief Executive Officer 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;
- the work of the external auditors;
- the financial management and 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 weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 12 December 2019 and signed on their behalf by:

.....  
M Andrews  
Chair of Trustees

.....  
G Smith  
Accounting Officer

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



G Smith  
Accounting Officer  
Date: 12 December 2019

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

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

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

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

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

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

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

Approved by order of the members of the board of Trustees on 12 December 2019 and signed on its behalf by:

.....

M Andrews  
Chair of Trustees



**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
MARKET FIELD LEARNING COMMUNITY**

**Opinion**

We have audited the financial statements of Market Field Learning Community (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
MARKET FIELD LEARNING COMMUNITY (CONTINUED)**

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
MARKET FIELD LEARNING COMMUNITY (CONTINUED)**

**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**Use of our report**

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

Jonathan Gorridge FCA (senior statutory auditor)  
for and on behalf of

**MWS**  
**Chartered Accountants**

Chartered Accountants  
Kingsridge House  
601 London Road  
Westcliff-on-Sea  
Essex  
SS0 9PE

16 December 2019

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MARKET  
FIELD LEARNING COMMUNITY AND THE EDUCATION & SKILLS FUNDING AGENCY**

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

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

**Respective responsibilities of Market Field Learning Community's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Market Field Learning Community's funding agreement with the Secretary of State for Education dated 29 November 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

- Assessing the risk of material irregularity in the Academy Trust
- Commissioning a self-assessment review of the Trustees' governance arrangements and consideration of any material non-compliance with the Academies Financial Handbook
- Investigating any areas of significant risk identified
- Consideration of the work performed under our audit engagement and any impact this may have on our regularity conclusion or regularity risk assessment
- A review of the internal controls and internal audit procedures for areas of significant risk and performing further substantive testing where necessary.

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MARKET  
FIELD LEARNING COMMUNITY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**  
**Conclusion**

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



**MWS**  
**Chartered Accountants**

Kingsridge House  
601 London Road  
Westcliff-on-Sea  
Essex  
SS0 9PE

Date: 16 December 2019

**MARKET FIELD LEARNING COMMUNITY**  
(A company limited by guarantee)

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

|   | Note | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Restricted<br>fixed asset<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ | Total<br>funds<br>2018<br>£ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| <b>Income from:</b>   |      |                                    |                                  |   |                             |                             |
| Donations and capital grants  | 3    | 117,981                            | -                                | 157,710   | 275,690                     | 3,490,258                   |
| Charitable activities   |      | -                                  | 6,137,646                        | -   | 6,137,646                   | 5,137,751                   |
| Other trading activities  |      | 75,271                             | -                                | -   | 75,271                      | 54,933                      |
| Investments   | 6    | 1,024                              | -                                | -   | 1,024                       | 605                         |
| <b>Total income</b>   |      | <b>194,276</b>                     | <b>6,137,646</b>                 | <b>157,710</b>                                  | <b>6,489,632</b>            | <b>8,683,547</b>            |
| <b>Expenditure on:</b>  |      |                                    |                                  |   |                             |                             |
| Charitable activities   | 8    | 49,816                             | 6,803,796                        | 282,583   | 7,136,195                   | 5,100,784                   |
| <b>Total expenditure</b>  |      | <b>49,816</b>                      | <b>6,803,796</b>                 | <b>282,583</b>                                  | <b>7,136,195</b>            | <b>5,100,784</b>            |
| <b>Net income/(expenditure)</b>                                     |      | <b>144,460</b>                     | <b>(666,150)</b>                 | <b>(124,873)</b>                                | <b>(646,563)</b>            | <b>3,582,763</b>            |
| Transfers between funds   | 19   | (63,249)                           | 26,865                           | 36,384  | -                           | -                           |
| <b>Net movement in funds before other recognised gains/(losses)</b> |      | <b>81,211</b>                      | <b>(639,285)</b>                 | <b>(88,489)</b>                                 | <b>(646,563)</b>            | <b>3,582,763</b>            |
| <b>Other recognised gains/(losses):</b>                             |      |                                    |                                  |   |                             |                             |
| Actuarial losses on defined benefit pension schemes                 | 25   | -                                  | (751,000)                        | -   | (751,000)                   | 650,000                     |
| <b>Net movement in funds</b>  |      | <b>81,211</b>                      | <b>(1,390,285)</b>               | <b>(88,489)</b>                                 | <b>(1,397,563)</b>          | <b>4,232,763</b>            |
| <b>Reconciliation of funds:</b>                                     |      |                                    |                                  |   |                             |                             |
| Total funds brought forward   |      | 818,136                            | (1,677,814)                      | 13,866,375                                      | 13,006,697                  | 8,773,934                   |
| Net movement in funds   |      | 81,211                             | (1,390,285)                      | (88,489)  | (1,397,563)                 | 4,232,763                   |
| <b>Total funds carried forward</b>                                  |      | <b>899,347</b>                     | <b>(3,068,099)</b>               | <b>13,777,886</b>                               | <b>11,609,134</b>           | <b>13,006,697</b>           |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 23 to 44 form part of these financial statements.

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 10391530**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

|  | Note | 2019<br>£   | 2018<br>£   |
|--|------|-------------|-------------|
| <b>Fixed assets</b>                            |      |             |             |
| Tangible assets                                | 15   | 13,717,436  | 13,859,965  |
|  |      | 13,717,436  | 13,859,965  |
| <b>Current assets</b>                          |      |             |             |
| Stocks   | 16   | 400         | 1,818       |
| Debtors  | 17   | 151,601     | 149,842     |
| Cash at bank and in hand                       |      | 1,584,650   | 1,569,262   |
|  |      | 1,736,651   | 1,720,922   |
| Creditors: amounts falling due within one year | 18   | (216,954)   | (194,190)   |
|  |      | 1,519,697   | 1,526,732   |
| <b>Net current assets</b>                      |      | 1,519,697   | 1,526,732   |
| <b>Total assets less current liabilities</b>   |      | 15,237,133  | 15,386,697  |
| <b>Net assets excluding pension liability</b>  |      | 15,237,133  | 15,386,697  |
| Defined benefit pension scheme liability       | 25   | (3,628,000) | (2,380,000) |
| <b>Total net assets</b>                        |      | 11,609,133  | 13,006,697  |
| <b>Funds of the academy trust</b>              |      |             |             |
| <b>Restricted funds:</b>                       |      |             |             |
| Fixed asset funds                              | 19   | 13,777,886  | 13,866,375  |
| Restricted income funds                        | 19   | 559,901     | 702,186     |
|  |      | 14,337,787  | 14,568,561  |
| Restricted funds excluding pension asset       | 19   | 14,337,787  | 14,568,561  |
| Pension reserve                                | 19   | (3,628,000) | (2,380,000) |
|  |      | 10,709,787  | 12,188,561  |
| <b>Total restricted funds</b>                  | 19   | 10,709,787  | 12,188,561  |
| <b>Unrestricted income funds</b>               | 19   | 899,346     | 818,136     |
| <b>Total funds</b>                             |      | 11,609,133  | 13,006,697  |

The financial statements on pages 20 to 44 were approved by the Trustees, and authorised for issue on 12 December 2019 and are signed on their behalf, by:

M Andrews  
Chair of Trustees

G Smith  
Accounting Officer

The notes on pages 23 to 44 form part of these financial statements.

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

|   | Note | 2019<br>£               |
|---|------|-------------------------|
| <b>Cash flows from operating activities</b>             |      |                         |
| Net cash provided by operating activities               | 22   | 7,009                   |
| <b>Cash flows from investing activities</b>             | 23   | 8,379                   |
| <b>Change in cash and cash equivalents in the year</b>  |      | <b>15,388</b>           |
| Cash and cash equivalents at the beginning of the year  |      | 1,569,262               |
| <b>Cash and cash equivalents at the end of the year</b> | 24   | <u><u>1,584,650</u></u> |

The notes on pages 23 to 44 form part of these financial statements

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

Market Field Learning Community meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

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

**1.3 Income**

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

• **Grants**

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

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

Capital grants are recognised in full when there is 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.

• **Donations**

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

• **Other income**

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

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.4 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the statement of financial activities as the related expenditure is incurred.

**1.6 Tangible fixed assets**

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

|                              |                          |
|------------------------------|--------------------------|
| Long-term leasehold property | - 50 years straight line |
| Furniture and equipment      | - 5 years straight line  |
| Computer equipment           | - 3 years straight line  |
| Motor vehicles               | - 5 years straight line  |

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.

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.9 Cash at bank and in hand**

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

**1.10 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.

**1.11 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

**MARKET FIELD LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.12 Pensions**

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

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

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

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

**1.13 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

**1.14 Licence to occupy**

The academy trust entered into a licence to occupy for two years over a number of rooms in a building in Clacton. The trust pays rentals at market value and these are included within costs in the Statement of Financial Activities. There have been no improvements to the property during the year but other asset purchases have been capitalised in line with the Trust's policies.

**MARKET FIELD LEARNING COMMUNITY**  
(A company limited by guarantee)

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

**1. Accounting policies (continued)**

**1.15 Fund accounting**

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

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

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

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

**2. Critical accounting estimates and areas of judgment**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**3. Income from donations and capital grants**

|                              | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ | Total<br>funds<br>2018<br>£ |
|------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations                    | 117,981                            | -                                | 117,981                     | 129,442                     |
| Capital Grants               | -                                  | 157,710                          | 157,710                     | 18,307                      |
| Transferred in on conversion | -                                  | -                                | -                           | 3,342,509                   |
|                              | <u>117,981</u>                     | <u>157,710</u>                   | <u>275,691</u>              | <u>3,490,258</u>            |
| <i>Total 2018</i>            | <u>223,744</u>                     | <u>3,266,514</u>                 | <u>3,490,258</u>            |                             |

**MARKET FIELD LEARNING COMMUNITY**  
(A company limited by guarantee)

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**3. Income from donations and capital grants (continued)**

**4. Funding for the academy trust's educational operations**

|                                | <b>Restricted<br/>funds<br/>2019<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> | <i>Total<br/>funds<br/>2018<br/>£</i> |
|--------------------------------|--|---------------------------------------|---------------------------------------|
| <b>DfE/ESFA grants</b>         |  |                                       |                                       |
| General Annual Grant (GAG)     | 3,786,442                                  | <b>3,786,442</b>                      | 2,925,796                             |
| Other DFE/ESFA Grants          | 235,663                                    | <b>235,663</b>                        | 287,517                               |
|                                | <hr/> 4,022,105                            | <hr/> <b>4,022,105</b>                | <hr/> 3,213,313                       |
| <b>Other government grants</b> |  |                                       |                                       |
| Local Authority Grants         | 2,115,541                                  | <b>2,115,541</b>                      | 1,924,438                             |
|                                | <hr/> 6,137,646                            | <hr/> <b>6,137,646</b>                | <hr/> 5,137,751                       |
|                                | <hr/> <hr/>                                | <hr/> <hr/>                           | <hr/> <hr/>                           |

**5. Income from other trading activities**

|                      | <b>Unrestricted<br/>funds<br/>2019<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> | <i>Total<br/>funds<br/>2018<br/>£</i> |
|----------------------|--|---------------------------------------|---------------------------------------|
| Hire of facilities   | 4,195  | <b>4,195</b>                          | 534                                   |
| Catering income      | 32,654                                       | <b>32,654</b>                         | 23,960                                |
| Services provided    | 15,195                                       | <b>15,195</b>                         | 15,081                                |
| School sales         | 20,388                                       | <b>20,388</b>                         | 13,040                                |
| School uniform sales | 2,839  | <b>2,839</b>                          | 2,318                                 |
|                      | <hr/> 75,271                                 | <hr/> <b>75,271</b>                   | <hr/> 54,933                          |
|                      | <hr/> <hr/>                                  | <hr/> <hr/>                           | <hr/> <hr/>                           |

**6. Investment income**

|                     | <b>Unrestricted<br/>funds<br/>2019<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> | <i>Total<br/>funds<br/>2018<br/>£</i> |
|---------------------|--|---------------------------------------|---------------------------------------|
| Interest receivable | 1,024  | <b>1,024</b>                          | 605                                   |
|                     | <hr/> <hr/>                                  | <hr/> <hr/>                           | <hr/> <hr/>                           |

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**7. Expenditure**

|                        | <b>Staff Costs</b><br><b>2019</b><br>£ | <b>Premises</b><br><b>2019</b><br>£ | <b>Other</b><br><b>2019</b><br>£ | <b>Total</b><br><b>2019</b><br>£ | <i>Total</i><br><i>2018</i><br>£ |
|------------------------|--|-------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Charitable activities: |  |                                     |                                  |                                  |                                  |
| Direct costs           | 4,381,350                              | 282,926                             | 258,190                          | <b>4,922,466</b>                 | 3,476,516                        |
| Support costs          | 1,491,801                              | 229,545                             | 492,383                          | <b>2,213,729</b>                 | 1,624,268                        |
|                        | <u>5,873,151</u>                       | <u>512,471</u>                      | <u>750,573</u>                   | <u><b>7,136,195</b></u>          | <u>5,100,784</u>                 |
| <i>Total 2018</i>      | <u>4,125,924</u>                       | <u>365,952</u>                      | <u>608,908</u>                   | <u>5,100,784</u>                 |                                  |

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

|                      | <b>Unrestricted</b><br><b>funds</b><br><b>2019</b><br>£ | <b>Restricted</b><br><b>funds</b><br><b>2019</b><br>£ | <b>Total</b><br><b>funds</b><br><b>2019</b><br>£ | <i>Total</i><br><i>funds</i><br><i>2018</i><br>£ |
|----------------------|---|---|--|--|
| Education operations | 49,816  | 7,027,379   | <b>7,077,195</b>                                 | 5,050,784  |
| Pension cost         | -   | 59,000  | <b>59,000</b>                                    | 50,000   |
|                      | <u>39,417</u>   | <u>5,061,367</u>                                      | <u>5,100,784</u>                                 |  |
| <i>Total 2018</i>    | <u>39,417</u>   | <u>5,061,367</u>                                      | <u>5,100,784</u>                                 |  |

**9. Analysis of expenditure by activities**

|                        | <b>Activities</b><br><b>undertaken</b><br><b>directly</b><br><b>2019</b><br>£ | <b>Support</b><br><b>costs</b><br><b>2019</b><br>£ | <b>Total</b><br><b>funds</b><br><b>2019</b><br>£ | <i>Total</i><br><i>funds</i><br><i>2018</i><br>£ |
|------------------------|---|--|--|--|
| Educational operations | 4,922,466   | 2,213,729  | <b>7,136,195</b>                                 | 5,100,784  |
| <i>Total 2018</i>      | <u>3,476,516</u>  | <u>1,624,268</u>                                   | <u>5,100,784</u>                                 |  |

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**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

|                         | <b>Educational<br/>operations<br/>2019<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> | <i>Total<br/>funds<br/>2018<br/>£</i> |
|-------------------------|--|---------------------------------------|---------------------------------------|
| Staff costs             | 4,381,350  | <b>4,381,350</b>                      | 3,070,288                             |
| Depreciation            | 282,926  | <b>282,926</b>                        | 241,398                               |
| Educational Supplies    | 195,219  | <b>195,219</b>                        | 117,737                               |
| Examination Fees        | 11,037   | <b>11,037</b>                         | 10,301                                |
| Educational Consultancy | 51,934   | <b>51,934</b>                         | 36,792                                |
|                         | <u>4,922,466</u>                                 | <u><b>4,922,466</b></u>               | <u>3,476,516</u>                      |

**Analysis of support costs**

|                             | <b>Educational<br/>operations<br/>2019<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> | <i>Total<br/>funds<br/>2018<br/>£</i> |
|-----------------------------|--|---------------------------------------|---------------------------------------|
| Pension income              | 59,000   | <b>59,000</b>                         | 50,000                                |
| Staff costs                 | 1,491,800  | <b>1,491,800</b>                      | 1,055,636                             |
| Technology                  | 11,059   | <b>11,059</b>                         | 15,709                                |
| Staff Development           | 25,474   | <b>25,474</b>                         | 43,549                                |
| Recruitment and Support     | 4,862  | <b>4,862</b>                          | 5,178                                 |
| Maintenance of premises     | 81,873   | <b>81,873</b>                         | 36,947                                |
| Cleaning                    | 21,675   | <b>21,675</b>                         | 16,800                                |
| Rent and rates              | 72,214   | <b>72,214</b>                         | 22,337                                |
| Energy costs                | 53,783   | <b>53,783</b>                         | 48,470                                |
| Insurance                   | 33,997   | <b>33,997</b>                         | 55,432                                |
| Security and transport      | 47,989   | <b>47,989</b>                         | 39,140                                |
| Catering                    | 94,037   | <b>94,037</b>                         | 57,813                                |
| Bank interest and charges   | 184  | <b>184</b>                            | 237                                   |
| Legal and professional fees | 124,092  | <b>124,092</b>                        | 108,894                               |
| Other support costs         | 91,690   | <b>91,690</b>                         | 68,126                                |
|                             | <u>2,213,729</u>                                 | <u><b>2,213,729</b></u>               | <u>1,624,268</u>                      |

During the year ended 31 August 2019, the Academy Trust incurred the following Governance costs:

£15,846 (2018: £12,000) included within the table above in respect of Educational Operations.

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**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

|                                       | 2019<br>£ | 2018<br>£ |
|---------------------------------------|-----------|-----------|
| Operating lease rentals               | 35,639    | 556       |
| Depreciation of tangible fixed assets | 282,926   | 241,397   |
| Fees paid to auditors for:            |           |           |
| - audit                               | 15,000    | 12,000    |
|                                       | 15,000    | 12,000    |

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

|                       | 2019<br>£ | 2018<br>£ |
|-----------------------|-----------|-----------|
| Wages and salaries    | 4,331,322 | 3,047,509 |
| Social security costs | 300,971   | 196,055   |
| Pension costs         | 1,224,372 | 879,471   |
|                       | 5,856,665 | 4,123,035 |
| Agency staff costs    | 16,486    | 2,889     |
|                       | 5,873,151 | 4,125,924 |

**b. Staff numbers**

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

|                            | 2019<br>No. | 2018<br>No. |
|----------------------------|-------------|-------------|
| Leadership                 | 9           | 8           |
| Teachers                   | 49          | 40          |
| Administration and support | 216         | 202         |
|                            | 274         | 250         |

**c. Higher paid staff**

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

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**11. Staff costs (continued)**

**c. Higher paid staff (continued)**

|                                 | <b>2019</b>  | <i>2018</i>  |
|---------------------------------|--------------|--------------|
|                                 | <b>No.</b>   | <i>No.</i>   |
| In the band £60,001 - £70,000   | <b>1</b>     | <i>1</i>     |
| In the band £90,001 - £100,000  | <b>-</b>     | <i>1</i>     |
| In the band £100,001 - £110,000 | <b>1</b>     | <i>-</i>     |
|                                 | <b>=====</b> | <i>=====</i> |

**d. Key management personnel**

The key management personnel of the academy trust comprises the trustees and senior management team as listed on page 1. Key management personnel are defined as the Chief Executive Officer and the Headteachers of each school within the Trust.

The total amount of remuneration (including employer pension contributions) received by key management personnel for their services to the academy was £306,033 (2018: £224,923).

**12. Central services**

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

**13. Trustees' remuneration and expenses**

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

|  |                            | <b>2019</b>      | <i>2018</i>      |
|--|----------------------------|------------------|------------------|
|  |                            | <b>£</b>         | <i>£</i>         |
| G Smith, Chief Executive               | Remuneration               | <b>100,000 -</b> | <i>95,000 -</i>  |
|  |                            | <b>105,000</b>   | <i>100,000</i>   |
|  | Pension contributions paid | <b>15,000 -</b>  | <i>15,000 -</i>  |
|  |                            | <b>20,000</b>    | <i>20,000</i>    |
| L Frances (resigned 27 September 2018) | Remuneration               | <b>0 - 5,000</b> | <i>40,000 -</i>  |
|  |                            |                  | <i>45,000</i>    |
|  | Pension contributions paid | <b>0 - 5,000</b> | <i>5,000 -</i>   |
|  |                            |                  | <i>10,000</i>    |
| S Carter (resigned 31 August 2018)     | Remuneration               | <b>-</b>         | <i>5,000 -</i>   |
|  |                            |                  | <i>10,000</i>    |
|  | Pension contributions paid | <b>-</b>         | <i>0 - 5,000</i> |

During the year, retirement benefits were accruing to 3 Trustees (2018 - 4) in respect of defined benefit pension schemes.

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

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**14. Trustees' and Officers' insurance**

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

**15. Tangible fixed assets**

|                          | Long-term<br>leasehold<br>property<br>£ | Furniture<br>and<br>equipment<br>£ | Computer<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£        |
|--------------------------|---|------------------------------------|----------------------------|------------------------|-------------------|
| <b>Cost or valuation</b> |   |                                    |                            |                        |                   |
| At 1 September 2018      | 14,033,532                              | 75,045                             | 61,984                     | 76,498                 | 14,247,059        |
| Additions                | 57,443                                  | 46,082                             | 31,829                     | 15,000                 | 150,354           |
| Disposals                | -                                       | -                                  | -                          | (10,300)               | (10,300)          |
| At 31 August 2019        | <u>14,090,975</u>                       | <u>121,127</u>                     | <u>93,813</u>              | <u>81,198</u>          | <u>14,387,113</u> |
| <b>Depreciation</b>      |   |                                    |                            |                        |                   |
| At 1 September 2018      | 314,006                                 | 11,012                             | 37,712                     | 24,364                 | 387,094           |
| Charge for the year      | 224,624                                 | 22,207                             | 17,091                     | 19,004                 | 282,926           |
| On disposals             | -                                       | -                                  | -                          | (343)                  | (343)             |
| At 31 August 2019        | <u>538,630</u>                          | <u>33,219</u>                      | <u>54,803</u>              | <u>43,025</u>          | <u>669,677</u>    |
| <b>Net book value</b>    |   |                                    |                            |                        |                   |
| At 31 August 2019        | <u>13,552,345</u>                       | <u>87,908</u>                      | <u>39,010</u>              | <u>38,173</u>          | <u>13,717,436</u> |
| At 31 August 2018        | <u>13,719,526</u>                       | <u>64,033</u>                      | <u>24,272</u>              | <u>52,134</u>          | <u>13,859,965</u> |

**16. Stocks**

|               | 2019<br>£  | 2018<br>£    |
|---------------|------------|--------------|
| Raw materials | <u>400</u> | <u>1,818</u> |

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**17. Debtors**

|                                | 2019<br>£      | 2018<br>£      |
|--------------------------------|----------------|----------------|
| <b>Due within one year</b>     |                |                |
| Trade debtors                  | 33,743         | 32,553         |
| Other debtors                  | 26,008         | 33,603         |
| Prepayments and accrued income | 91,850         | 83,686         |
|                                | <b>151,601</b> | <b>149,842</b> |
|                                | <b>151,601</b> | <b>149,842</b> |

**18. Creditors: Amounts falling due within one year**

|                                    | 2019<br>£      | 2018<br>£      |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 8,417          | 30,867         |
| Other taxation and social security | 74,490         | 62,610         |
| Accruals and deferred income       | 134,047        | 100,713        |
|                                    | <b>216,954</b> | <b>194,190</b> |
|                                    | <b>216,954</b> | <b>194,190</b> |

|  | 2019<br>£    | 2018<br>£     |
|--|--------------|---------------|
| Deferred income at 1 September 2018    | 30,216       | 5,226         |
| Resources deferred during the year     | 8,668        | 30,216        |
| Amounts released from previous periods | (30,216)     | (5,226)       |
|  | <b>8,668</b> | <b>30,216</b> |
|  | <b>8,668</b> | <b>30,216</b> |

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

Grants received in advance of entitlement £8,668 (2018: £30,216)

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**19. Statement of funds**

|                                     | Balance at 1<br>September<br>2018<br>£ | Income<br>£             | Expenditure<br>£          | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2019<br>£ |
|-------------------------------------|--|-------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>           |  |                         |                           |                          |                         |                                      |
| General Funds - all funds           | 818,136                                | 194,275                 | (49,816)                  | (63,249)                 | -                       | 899,346                              |
| <b>Restricted general funds</b>     |  |                         |                           |                          |                         |                                      |
| General Annual Grant                | 647,265                                | 3,786,442               | (3,958,031)               | 26,865                   | -                       | 502,541                              |
| Other DFE/ESFA Grants               | 30,000                                 | 77,392                  | (75,880)                  | -                        | -                       | 31,512                               |
| Pupil Premium                       | 24,921                                 | 158,271                 | (157,344)                 | -                        | -                       | 25,848                               |
| Local authority grants              | -                                      | 1,965,541               | (1,965,541)               | -                        | -                       | -                                    |
| Autism hub                          | -                                      | 75,000                  | (75,000)                  | -                        | -                       | -                                    |
| ESSET                               | -                                      | 75,000                  | (75,000)                  | -                        | -                       | -                                    |
| Pension reserve                     | (2,380,000)                            | -                       | (497,000)                 | -                        | (751,000)               | (3,628,000)                          |
|                                     | <u>(1,677,814)</u>                     | <u>6,137,646</u>        | <u>(6,803,796)</u>        | <u>26,865</u>            | <u>(751,000)</u>        | <u>(3,068,099)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                         |                           |                          |                         |                                      |
| Inherited assets                    | 13,771,993                             | -                       | (249,349)                 | -                        | -                       | 13,522,644                           |
| Assets purchased from GAG           | 87,972                                 | -                       | (28,097)                  | 36,384                   | -                       | 96,259                               |
| ESFA capital grants                 | 6,410                                  | 157,710                 | (5,137)                   | -                        | -                       | 158,983                              |
|                                     | <u>13,866,375</u>                      | <u>157,710</u>          | <u>(282,583)</u>          | <u>36,384</u>            | <u>-</u>                | <u>13,777,886</u>                    |
| <b>Total Restricted funds</b>       | <u>12,188,561</u>                      | <u>6,295,356</u>        | <u>(7,086,379)</u>        | <u>63,249</u>            | <u>(751,000)</u>        | <u>10,709,787</u>                    |
| <b>Total funds</b>                  | <u><u>13,006,697</u></u>               | <u><u>6,489,631</u></u> | <u><u>(7,136,195)</u></u> | <u><u>-</u></u>          | <u><u>(751,000)</u></u> | <u><u>11,609,133</u></u>             |

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

**Restricted general funds**

These relate to the Academy's development and operational activities.

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**19. Statement of funds (continued)**

**Restricted fixed asset fund**

These grants relate to capital funding to carry out works of a capital nature.

**Pension reserve**

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme.

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

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

|  | 2019<br>£         | 2018<br>£         |
|--|-------------------|-------------------|
| Market Field School                                | 1,340,412         | 1,361,938         |
| Southview School                                   | 118,835           | 158,384           |
|  | 1,459,247         | 1,520,322         |
| Total before fixed asset funds and pension reserve |                   |                   |
| Restricted fixed asset fund                        | 13,777,886        | 13,866,375        |
| Pension reserve                                    | (3,628,000)       | (2,380,000)       |
|  | 11,609,133        | 13,006,697        |
| <b>Total</b>                                       | <b>11,609,133</b> | <b>13,006,697</b> |

**Total cost analysis by academy**

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

|                      | Teaching<br>and<br>educational<br>support<br>staff costs<br>£ | Other<br>support<br>staff costs<br>£ | Educational<br>supplies<br>£ | Other costs<br>excluding<br>depreciation<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|----------------------|---|--------------------------------------|------------------------------|---|--------------------|--------------------|
| Market Field School  | 3,291,085   | 1,054,705                            | 145,563                      | 605,495                                       | 5,096,848          | 4,135,611          |
| Southview School     | 1,090,265   | 437,095                              | 49,655                       | 179,406                                       | 1,756,421          | 723,775            |
|                      | 4,381,350   | 1,491,800                            | 195,218                      | 784,901                                       | 6,853,269          | 4,859,386          |
| <b>Academy trust</b> | <b>4,381,350</b>  | <b>1,491,800</b>                     | <b>195,218</b>               | <b>784,901</b>                                | <b>6,853,269</b>   | <b>4,859,386</b>   |

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**19. Statement of funds (continued)**

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

|                                     | <i>Balance at<br/>1 September<br/>2017<br/>£</i> | <i>Income<br/>£</i>     | <i>Expenditure<br/>£</i>  | <i>Transfers<br/>in/out<br/>£</i> | <i>Gains/<br/>(Losses)<br/>£</i> | <i>Balance at<br/>31 August<br/>2018<br/>£</i> |
|-------------------------------------|--|-------------------------|---------------------------|-----------------------------------|----------------------------------|--|
| <b>Unrestricted funds</b>           |  |                         |                           |                                   |                                  |  |
| General Funds - all funds           | 578,272  | 279,282                 | (39,418)                  | -                                 | -                                | 818,136  |
| <b>Restricted general funds</b>     |  |                         |                           |                                   |                                  |  |
| General Annual Grant                | -  | 2,925,796               | (2,247,243)               | (31,288)                          | -                                | 647,265  |
| Other DFE/ESFA Grants               | 19,692   | 156,083                 | (145,775)                 | -                                 | -                                | 30,000   |
| Pupil Premium                       | -  | 131,434                 | (106,513)                 | -                                 | -                                | 24,921   |
| Local authority grants              | -  | 1,924,438               | (1,924,438)               | -                                 | -                                | -  |
| Pension reserve                     | (1,660,000)                                      | (974,000)               | (396,000)                 | -                                 | 650,000                          | (2,380,000)                                    |
|                                     | <u>(1,640,308)</u>                               | <u>4,163,751</u>        | <u>(4,819,969)</u>        | <u>(31,288)</u>                   | <u>650,000</u>                   | <u>(1,677,814)</u>                             |
| <b>Restricted fixed asset funds</b> |  |                         |                           |                                   |                                  |  |
| Inherited assets                    | 9,771,542  | 4,222,207               | (221,756)                 | -                                 | -                                | 13,771,993                                     |
| Assets purchased from GAG           | 64,428   | -                       | (19,642)                  | 43,186                            | -                                | 87,972   |
| ESFA capital grants                 | -  | 18,308                  | -                         | (11,898)                          | -                                | 6,410  |
|                                     | <u>9,835,970</u>                                 | <u>4,240,515</u>        | <u>(241,398)</u>          | <u>31,288</u>                     | <u>-</u>                         | <u>13,866,375</u>                              |
| <b>Total Restricted funds</b>       | <u>8,195,662</u>                                 | <u>8,404,266</u>        | <u>(5,061,367)</u>        | <u>-</u>                          | <u>650,000</u>                   | <u>12,188,561</u>                              |
| <b>Total funds</b>                  | <u><u>8,773,934</u></u>                          | <u><u>8,683,548</u></u> | <u><u>(5,100,785)</u></u> | <u><u>-</u></u>                   | <u><u>650,000</u></u>            | <u><u>13,006,697</u></u>                       |

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**20. Transfers between funds**

Funds have been transferred in respect of the following:

£93,827 has been transferred from the restricted GAG fund to the restricted fixed asset fund representing capital additions purchased from GAG funding.

**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

|  | <b>Unrestricted<br/>funds<br/>2019<br/>£</b> | <b>Restricted<br/>funds<br/>2019<br/>£</b> | <b>Restricted<br/>fixed asset<br/>funds<br/>2019<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets                  | -  | -  | 13,717,436   | <b>13,717,436</b>                     |
| Current assets                         | 899,346                                      | 776,854                                    | 60,450   | <b>1,736,650</b>                      |
| Creditors due within one year          | -  | (216,953)                                  | -  | <b>(216,953)</b>                      |
| Provisions for liabilities and charges | -  | (3,628,000)                                | -  | <b>(3,628,000)</b>                    |
| <b>Total</b>                           | <b>899,346</b>                               | <b>(3,068,099)</b>                         | <b>13,777,886</b>  | <b>11,609,133</b>                     |

**Analysis of net assets between funds - prior year**

|  | <i>Unrestricted<br/>funds<br/>2018<br/>£</i> | <i>Restricted<br/>funds<br/>2018<br/>£</i> | <i>Restricted<br/>fixed asset<br/>funds<br/>2018<br/>£</i> | <i>Total<br/>funds<br/>2018<br/>£</i> |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets                  | -  | -  | 13,859,965   | <b>13,859,965</b>                     |
| Current assets                         | 818,136                                      | 896,376                                    | 6,410  | <b>1,720,922</b>                      |
| Creditors due within one year          | -  | (194,190)                                  | -  | <b>(194,190)</b>                      |
| Provisions for liabilities and charges | -  | (2,380,000)                                | -  | <b>(2,380,000)</b>                    |
| <b>Total</b>                           | <b>818,136</b>                               | <b>(1,677,814)</b>                         | <b>13,866,375</b>  | <b>13,006,697</b>                     |

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

|  | 2019<br>£        | 2018<br>£   |
|--|------------------|-------------|
| Net (expenditure)/income for the year (as per statement of financial activities) | <b>(646,563)</b> | 3,582,763   |
| <b>Adjustments for:</b>  |                  |             |
| Depreciation   | <b>282,926</b>   | 241,398     |
| Capital grants from DfE and other capital income                                 | <b>(157,709)</b> | (18,307)    |
| Interest receivable  | <b>(1,024)</b>   | (576)       |
| Defined benefit pension scheme obligation inherited                              | -                | 974,000     |
| Defined benefit pension scheme cost less contributions payable                   | <b>438,000</b>   | 346,000     |
| Defined benefit pension scheme finance cost                                      | <b>59,000</b>    | 50,000      |
| Decrease/(increase) in stocks  | <b>1,419</b>     | (923)       |
| (Increase)/decrease in debtors   | <b>(1,759)</b>   | 10,473      |
| Increase/(decrease) in creditors   | <b>22,763</b>    | (20,257)    |
| Net (loss) on assets and liabilities from local authority on conversion          | -                | (4,316,509) |
| Loss on disposal of a tangible fixed asset                                       | <b>9,956</b>     | -           |
| <b>Net cash provided by operating activities</b>                                 | <b>7,009</b>     | 848,062     |

**23. Cash flows from investing activities**

|  | 2019<br>£        | 2018<br>£ |
|--|------------------|-----------|
| Dividends, interest and rents from investments     | <b>1,024</b>     | 605       |
| Purchase of tangible fixed assets                  | <b>(150,354)</b> | (93,957)  |
| Capital grants from DfE Group                      | <b>157,709</b>   | 18,307    |
| Cash transferred on conversion to an academy trust | -                | 145,074   |
| <b>Net cash provided by investing activities</b>   | <b>8,379</b>     | 70,029    |

**24. Analysis of cash and cash equivalents**

|  | 2019<br>£        | 2018<br>£ |
|--|------------------|-----------|
| Cash in hand                           | <b>1,584,650</b> | 1,569,262 |
| <b>Total cash and cash equivalents</b> | <b>1,584,650</b> | 1,569,262 |

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**25. Pension commitments**

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Barnett Waddingham. 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £318,321 (2018 - £224,654).

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

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

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**25. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £589,000 (2018 - £393,000), of which employer's contributions totalled £468,000 (2018 - £310,000) and employees' contributions totalled £ 121,000 (2018 - £83,000). The agreed contribution rates for future years are between 22.4 per cent and 25 per cent for employers and 5.5 per cent and 12 per cent for employees.

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

**Principal actuarial assumptions**

|  | 2019<br>% | 2018<br>% |
|--|-----------|-----------|
| Rate of increase in salaries                       | 3.65      | 3.80      |
| Rate of increase for pensions in payment/inflation | 2.15      | 2.30      |
| Discount rate for scheme liabilities               | 1.90      | 2.70      |
| Inflation assumption (CPI)                         | 2.15      | 2.30      |
| Inflation assumption (RPI)                         | 3.15      | 3.30      |

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

|                             | 2019<br>Years | 2018<br>Years |
|-----------------------------|---------------|---------------|
| <i>Retiring today</i>       |               |               |
| Males                       | 21.3          | 22.3          |
| Females                     | 23.6          | 24.8          |
| <i>Retiring in 20 years</i> |               |               |
| Males                       | 23.0          | 24.5          |
| Females                     | 25.4          | 27.1          |

**Sensitivity analysis**

|  | 2019<br>£000 | 2018<br>£000 |
|--|--------------|--------------|
| Discount rate +0.1%                    | 6,089,000    | 4,173,000    |
| Discount rate -0.1%                    | 6,493,000    | 4,447,000    |
| Mortality assumption - 1 year increase | 6,516,000    | 4,446,000    |
| Mortality assumption - 1 year decrease | 6,067,000    | 4,175,000    |
| Salary increases +0.1%                 | 6,311,000    | -            |
| Salary increases -0.1%                 | 6,265,000    | -            |

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**25. Pension commitments (continued)**

The academy trust's share of the assets in the scheme was:

|                                     | At 31<br>August 2019<br>£ | At 31 August<br>2018<br>£ |
|-------------------------------------|---------------------------|---------------------------|
| Equities                            | 1,679,000                 | 1,229,000                 |
| Gilts                               | 146,000                   | 103,000                   |
| Other bonds                         | 149,000                   | 112,000                   |
| Property                            | 213,000                   | 172,000                   |
| Cash                                | 77,000                    | 65,000                    |
| Alternative assets                  | 260,000                   | 173,000                   |
| Other managed funds                 | 136,000                   | 74,000                    |
| <b>Total market value of assets</b> | <b>2,660,000</b>          | <b>1,928,000</b>          |

The actual return on scheme assets was £183,000 (2018 - £99,000).

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

|   | 2019<br>£        | 2018<br>£        |
|---|------------------|------------------|
| Current service cost  | (806,000)        | (656,000)        |
| Past service cost   | (99,000)         | -                |
| Interest income   | 59,000           | 34,000           |
| Interest cost   | (118,000)        | (84,000)         |
| <b>Total amount recognised in the Statement of financial activities</b> | <b>(964,000)</b> | <b>(706,000)</b> |

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

|   | 2019<br>£        | 2018<br>£        |
|---|------------------|------------------|
| <b>At 1 September</b>                         | <b>4,308,000</b> | <b>2,581,000</b> |
| Conversion of academy trusts                  | -                | 1,489,000        |
| Current service cost                          | 806,000          | 656,000          |
| Interest cost                                 | 118,000          | 84,000           |
| Employee contributions                        | 121,000          | 83,000           |
| Change in financial & demographic assumptions | 875,000          | (585,000)        |
| Benefits paid                                 | (39,000)         | -                |
| Past service costs                            | 99,000           | -                |
| <b>At 31 August</b>                           | <b>6,288,000</b> | <b>4,308,000</b> |

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**25. Pension commitments (continued)**

Changes in the fair value of the academy trust's share of scheme assets were as follows:

|                              | <b>2019</b>      | <b>2018</b>      |
|------------------------------|------------------|------------------|
|                              | <b>£</b>         | <b>£</b>         |
| <b>At 1 September</b>        | <b>1,928,000</b> | <b>921,000</b>   |
| Conversion of academy trusts | -                | 515,000          |
| Interest income              | 59,000           | 34,000           |
| Actuarial gains              | 124,000          | 65,000           |
| Employer contributions       | 468,000          | 310,000          |
| Employee contributions       | 121,000          | 83,000           |
| Benefits paid                | (39,000)         | -                |
| Admin expenses               | (1,000)          | -                |
|                              | <b>2,660,000</b> | <b>1,928,000</b> |
| <b>At 31 August</b>          | <b>2,660,000</b> | <b>1,928,000</b> |

**Impact of the McCloud/Sargeant judgement on the Local Government Pension Scheme**

An allowance has been made for the recent Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. On 27 June 2019 the Supreme Court denied the Government's request for an appeal, and on 15 July 2019 the Government released a statement to confirm that it expects to have to amend all public service schemes, including the LGPS.

The estimated impact on the total liabilities at 31 August 2019 has been allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 August 2019.

This adjustment is an estimate of the potential impact on the Trust's defined benefit obligation as provided by the scheme's actuary. The Actuary's assessment is based on analysis carried out by the Government Actuary's Department (GAD) and the Trust's liability profile.

The GAD assessment is based on a "worst-case" scenario whereby this case impacts on all active members in the scheme as at 31 March 2019. It is the view of the Trustees and their actuary that this is not a realistic estimate. The actuary has therefore adjusted their estimate to only include members who were active at 31 March 2012.

**26. Operating lease commitments**

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

|  | <b>academy trust</b> | <i>academy trust</i> |
|--|----------------------|----------------------|
|  | <b>2019</b>          | <b>2018</b>          |
|  | <b>£</b>             | <b>£</b>             |
| Not later than 1 year                        | 60,022               | 556                  |
| Later than 1 year and not later than 5 years | 556                  | 112                  |
|  | <b>60,578</b>        | <b>668</b>           |
|  | <b>60,578</b>        | <b>668</b>           |

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**27. 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.

**28. Related party transactions**

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

**S Smith** - wife of G Smith (CEO)

S Smith was employed by the trust and received remuneration of £28,790 (2018: £25,599) and pension of £6,013 in respect of her employment with the trust.

**I Coe** - daughter of G Smith (CEO)

I Coe was employed by the trust and received remuneration of £4,785 and pension of £1,013 in respect of her employment with the trust.

**E Carter** - daughter of S Carter (a trustee, resigned 31.08.2019)

E Carter was employed by the trust and received remuneration of £9,488 in 2018 in respect of her employment with the trust. S Carter resigned on 31st August 2018 and therefore there are no relevant related party transactions with her in the current year.

**H Byford** - Trustee

During the year H Byford made a donation of £Nil (2018: £50) to the trust.

There were no amounts outstanding in respect of the above at the reporting date.

In entering into this transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

**29. Agency arrangements**

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the Trust received £18,103 and disbursed £12,689 from the fund. An amount of £5,414 is included in other creditors relating to undistributed funds that are repayable to the ESFA.