

MacIntyre Academies

Annual Report and Financial Statements
For the year ended 31 August 2016

Company Registration Number: 08334745 (England and Wales)

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Reference and Administrative Details

Trustees	Neil Macmillan (Chair) Brenda Mullen (CEO) Adam Goldstein Martin Zahra Catherine Carroll (resigned 31/12/2015) Shaun Temple Brown (appointed 11/01/2016)
Company Secretary	Claire Toombs
Senior Management Team:	
CEO and Accounting Officer	Brenda Mullen
Principal (Endeavour Academy)	Angela O'Rourke
Principal (Discovery Academy)	Matthew Pike
Finance Officer	Helen Coombs
Engagement and Families Strategic Lead	Susan Camps
Head of Academy Support and Development	Rachelle Russell
Principal and Registered Office	602 South Seventh Street Milton Keynes Buckinghamshire MK9 2JA
Company Registration Number	08334745 (England and Wales)
Independent Auditor	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	HSBC 12 Allhallows Bedfordshire MK40 1LJ
Solicitors	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

The Trustees present their annual report together with the financial statements and auditors' report of the organisation for the period ended 31 August 2016. The annual report serves the purpose of both a Trustees' report and a Directors' report under company law.

Structure, Governance and Management

Constitution

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

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

Members' Liability

Each member of the company undertakes to contribute to the assets of the 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.

MacIntyre Academies is a multi-academy Trust that has three Members. The sponsor, MacIntyre Care has appointed two members, Neil Macmillan and Martin Zahra. The third member is MacIntyre Care itself as a corporate member.

Governors' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

During this period, the Trust Board structure comprised two sponsor appointed trustees, two independent appointed trustees and the CEO of MacIntyre Academies. Members of the Trust Leadership Group (TLG) attend Trustee meetings as required. The Trust Board holds an annual strategy meeting, which is attended by the full TLG and the chairs of each of the Local Advisory Boards (LABs).

Induction and Training of Trustees

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

Principal Activities

MacIntyre Academies' object is to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age. The children who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").

Organisational Structure

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

In addition, the Trust Board considers matters relating to audit and risk within the Trust Board meetings including a focus on finance, health & safety and safeguarding. For 2017, we will be establishing an Audit & Risk Committee as a sub Committee of the main Trust Board.

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

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

During the last year, the Trust Board undertook a detailed governance self-evaluation using the "21 questions for Multi-Academy Trusts" developed by the National Governance Association. As a result of this, the Trust Board prioritised six specific areas of governance development. This focus has provided the impetus for the Board to oversee, for example:

- The use of a new online platform (Trust Governor) to better aid and evidence the flow of information, scrutiny and decision making;
- The mentoring of Academy Principals and other members of the TLG by one of the Trustees;
- Establishing regular dialogue with the Regional Schools Commissioners;
- Prioritising parental contribution through LABs and local family groups, enhanced with *Family Footings* facilitating family meetings;
- Setting up a separate Audit & Risk Committee with the first meeting scheduled for February 2017; and
- Developing a comprehensive Quality and Compliance Framework (Q&CF), which is aligned to the Ofsted Inspection and ready to be used in the 2016-17 academic year.

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

Key Management personnel

The following people comprise the key management personnel within MacIntyre Academies Trust:

CEO and Accounting Officer	Brenda Mullen
Principal (Endeavour Academy)	Angela O'Rourke
Principal (Discovery Academy)	Matthew Pike
Head of Academy Support and Development	Rachelle Russell
Trust Business Manager and Finance Officer	Helen Coombs
Engagement and Families Strategic Lead	Susan Camps

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

Risk Management

The Trustees are responsible for the management of risks to which MacIntyre Academies is exposed. The key controls used for MacIntyre Academies to mitigate these risks are:

- The Risk Register, which is a standing item at all Trust Board meetings and is updated on an on-going basis; and

- The Risk Management Policy, which sets out the termly reporting of risk at academy level to the Trust Board.

Connected Organisations, including Related Party Relationships

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

Objectives and Activities

Vision and Values

MacIntyre Academies' Vision

Children and Young People attending MacIntyre Academies' Schools will have the same opportunities as Children attending Mainstream Education

MacIntyre Academies' Mission

To become a leading Special Academy Trust that provides outstanding outcome-focused state education by empowering parents as partners and promoting high aspirations for all, successfully equipping every child for adult life

During the 2015/16 period, the Trust Board reviewed the business plan (2015-18) to guide the trust to fulfil its vision and mission through the following strategic objectives:

- To build on and contribute to MacIntyre's high regard and cross sector reputation;
- To grow the Academy Trust in a way that supports capacity building but ensures outcomes within existing academies are not compromised;
- To create a culture of challenge, support and mutual benefit so that MAT academies are schools that children, families and employees are proud to be identified with and others want to join;
- To build a leadership culture that promotes the sharing of skills and expertise across academies and encourages school leaders to support others in their journey;
- To be transformational, set and expect high standards and provide challenge/support to improve outcomes for children in all schools joining the Trust;
- To provide exceptional and differentiated interventions that support all schools to raise aspirations of children and staff;
- To provide outstanding governance and leadership that has high expectations and a rigorous process of scrutiny at every level;
- To operate robust management systems and controls that support individual schools and promote efficient data analysis and sharing; and
- To use evidence based practice to continuously improve the offer, delivery and outcomes.

The business plan set out a three year strategy with the following key priorities:

Year 1 (2015/16):	Building capacity and expertise
Year 2 (2016/17):	Consolidation and planning for further growth
Year 3 (2017/18):	Established and sustainable

Aims

The Trust's main aim during the period was to continue to oversee the development of its first academy in Oxford (Endeavour Academy), to successfully open and operate its second new academy in Nuneaton (Discovery Academy), to establish its operations in preparation for its third school, which is being set up under the Free School route in Rugby (Quest Academy) and to seek further development opportunities for future years.

Objectives, Strategies and Activities

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

Objective	Achievements
To continue to embed effective teaching, learning and care within Endeavour Academy and its operation aiming to reach full capacity.	<ul style="list-style-type: none"> Admitted a second cohort of pupils to Endeavour Academy in September 2015 to reach full capacity. Achieved a 'good' inspection judgement from Ofsted within Endeavour House Children's Home. Recruitment of additional staff to meet expected future roll. Developed accurate baseline assessments for all new pupils and provide a robust curriculum underpinned by the approved curriculum framework.
To open Discovery Academy in September 2015 and establish its effective operation.	<ul style="list-style-type: none"> Opened Discovery Academy within temporary buildings in Nuneaton and continue to work with the LA to refurbish the old Manor Park secondary school building. Recruitment of additional staff to meet expected future roll. Developed accurate baseline assessments for all new pupils and provided a robust curriculum underpinned by the approved curriculum framework.
To prepare for the Rugby Free School (Quest Academy) and work with parents and Local Authority partners to ensure its opening in 2017.	<ul style="list-style-type: none"> Prepared all policies and documentation relating to operating Quest Academy. Liaised effectively with DfE Project Team overseeing the Free School set up.
To build capacity of the Trust in terms of central service support for academies including HR and finance systems and school improvement resources and support.	<ul style="list-style-type: none"> Implemented all policies approved by the Trust Board. Built capacity of the Trust through its central functions to provide quality HR, finance and governance support to the academies. Designed and developed a Trust Quality & Compliance Framework that will provide the Trust Board with a top level data dashboard covering key risks. Sought further growth opportunities in line with the MacIntyre Academies business plan.

Plans for the next period include:

- To achieve at least an Ofsted 'Good' rating at Endeavour Academy and maintain at least 'Good' in Endeavour House.
- To admit additional pupils at Discovery Academy for the next academic year (September 2016) and continue to embed effective teaching and learning within its operation in preparation for Ofsted in 2017-18.
- To prepare for the Quest Academy to open in September 2017 and work with parents and Local Authority partners.
- To continue to build capacity of the Trust in terms of central service academy support, school improvement resources and financial systems to be ready to meet growth strategy including supporting a school in an Ofsted category.

Public Benefit

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

Strategic Report

Achievements and Performance

The highlights of our year are set out below:

Academy	At a glance
Endeavour	<ul style="list-style-type: none"> • 26 pupils. • Pupil attendance - 97.5%. • Endeavour House achieved a 'Good' rating in its first Ofsted and 'Improved Effectiveness' rating in its second inspection. • Angela O'Rourke joined as the new Principal in June 2016.
Discovery	<ul style="list-style-type: none"> • Moved from temporary accommodation into its Vernons Lane site in April 2016 • Growth from 34 to 47 pupils. • Pupil attendance - 96.5%
Quest	<ul style="list-style-type: none"> • Due to open in September 2017. • Ultimately aiming to cater for 80 children. • Principal designate, Nicola Wells, will join in January 2017.

Endeavour Academy

Progress data for all young people was collected in all areas of English, Maths and Personal, Social, Health and Economic Education (PSHE). In *English* 55% of students met or exceeded their targets, with fewer students meeting their targets in Listening. Listening is a difficult area of English for our students due to the complex link between Autism, processing language and determining social functions of language in line with a lack of social skills. In *Numeracy* the key progress area in this academic year was Numbers where 68% of pupils met or exceeded their intended outcome. To stretch more able students, Endeavour Academy introduced Statistics during this academic year. 75% of students who accessed this programme met or exceeding their targets.

In the academic year, the analysis shows that students made good overall progress in Personal, Social and Health Education. PSHE is a core theme within Endeavour and is linked to all aspects of the school curriculum. People with Autism are generally in a greater need of support in this area. The need for understanding and skill development across PSHE is addressed implicitly through the very specialist nature of the academy and school ethos, as well as being present in cross-curricular learning throughout the school day.

In the area of Citizenship, students achieved well, with 72% of students meeting or exceeding their targets. A number of students started work experience such as horticulture and agriculture work, hospitality work and also office work within the school. Self Help is a strong part of the school curriculum as students are encouraged to be as independent as possible. The further development of the Self Help curriculum across the school day and within Endeavour House for those who stay there, contributed to 80% of young people achieving or exceeding their target. This demonstrates the prominent role self-help plays throughout the academy experience and the vital impact achieved by prioritising this learning, particularly for students who are on a pathway to adulthood and preparing to leave the academy.

Discovery Academy

As Discovery Academy was a new school, it was essential to undertake a thorough exercise to baseline all of the children during the autumn term, to prioritise the building of positive relationships between staff and pupils and understand each child's capabilities and potential. The children's wellbeing was assessed alongside their academic baseline and key information was sought and shared with parents and carers, social workers and other professions involved with the young people. Assessment was also carried out in terms of progress made in accessing learning through structured programmes of Occupational Therapy, Speech & Language and Sensory Processing. The variety of experiences prior to joining Discovery, allied to the National removal of "levels" for assessing children made it a challenge for us to benchmark and assess progress that stands up to national comparators. However, we are confident that we have good baseline and progress data and plans to improve how we use this in year 2. Over the academic year, the children made on average, 1 year 2 months progress, thus closing the gap between them and their peers in mainstream education. The wellbeing profiles, as measured by Boxhall profiling, showed excellent reductions in student anxieties and development of self-regulating strategies. We know this is true for our specialist environment and the challenge is to enable the children to generalise these skills and cope with other environments.

The staff recruitment campaigns at Discovery and Endeavour Academies have been successful with high numbers of experienced and qualified staff applying for many roles. Recruitment of residential support workers in Oxford is more challenging and remains a key priority for the forthcoming year.

Key Financial Performance Indicators and Financial Review

Each academy operated within the revenues received from the Education Funding Agency and Local Authority top up and short breaks funding individually allocated to each child. The set-up of Quest Academy is being funded through the project development grant allocated by the Department for Education.

MacIntyre Academies generated net income of £473k whilst maintaining tight fiscal discipline. The surplus from this financial year is expected to cover anticipated wear and tear expenditure at Discovery and Endeavour (as they adjust to operating at full capacities) plus the associated costs leading up to the opening of Quest. The Trust will use reserves to invest in the future growth and consolidation of all its academies.

Going Concern

After making appropriate enquiries, the Trust Board of MacIntyre Academies has confirmed that it has a reasonable expectation that MacIntyre Academies has adequate resources to continue in operational existence for the foreseeable future. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Reserves Policy

It is the policy of MacIntyre Academies Trust to ensure the progress and growth of its academies and to support the capacity building needs required to implement the Trust's business plan. The Trust has used carry forward resources from the restricted and unrestricted fund to support capacity building, cover the medium and long term needs for renewal and replacement of major capital projects and secure reserves for unforeseen contingencies across our Academy Schools. The Department for Education has not set a limit to the amounts which can be carried forward. At 31 August 2016 the Trust had generated unrestricted funds of £2,783. Restricted funds amounted to £8,525,030 consisting of a deficit of £237,000 in pension reserve; a surplus in restricted general funds of £774,291; and £7,987,739 in restricted fixed asset funds.

Investment Policy

MacIntyre Academies has been fortunate to benefit from its relationship with its Sponsor, MacIntyre Care. MacIntyre Care committed an initial investment to ensure the company was set up effectively through the secondment of Brenda Mullen to be the founding CEO of MacIntyre Academies. This investment was then extended throughout the Endeavour and Discovery set up periods on the understanding that MacIntyre Academies would be able to become self-sufficient by 2017.

Principal Risks and Uncertainties

The Trust has a Risk Register that is a standing item at all Trust Board meetings. The Register is used to identify all the potential key risks that the academy trust may be exposed to any point in time. According to the Trust's risk management policy, each academy's LAB undertakes a risk management self-evaluation each term which informs the Trust's overall risk register. The CEO and TLG monitor the policies, procedures and systems developed to manage these risks. MacIntyre Academies Trust and its individual academies have business continuity plans.

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

It is essential for academies to achieve at least at 'good' rating through Ofsted education or care inspections. The Trustees monitor pupil performance regularly through the reports received from the TLG and the scrutiny undertaken at each of the LABs. In addition, the Principals at the academies work in partnership with School Improvement Partners and Care Improvement Partner at Endeavour House.

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

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

Auditor

In so far as the governors are aware:

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

MacIntyre Academies has appointed Kingston Smith LLP as auditors.

Approved by order of the members of the Governing Body on 21/12/16 and signed on its behalf by:



Neil Macmillan
Chair

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that MacIntyre Academies has effective and appropriate systems of control. However, such systems are 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 governing body has delegated the day-to-day responsibility to the CEO 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 MacIntyre Academies and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Trustees responsibilities. The Trust Board formally met six times during the period including once to focus on audit and risk. Attendance at those meetings was as follows:

Trustee	Meetings attended	Out of a possible
Neil Macmillan (Chair)	6	6
Martin Zahra	4	6
Brenda Mullen (CEO)	6	6
Adam Goldstein	6	6
Shaun Temple Brown (<i>from 08/12/2015</i>)	5	5
Catherine Carroll (<i>until 31/12/2015</i>)	2	2

There is no requirement to operate a dedicated audit committee and currently the Trust Board ensures that all audit and risk issues are fully considered within the main Trust Board meetings with a proviso that a separate meeting may be called if more in-depth analysis of a particular issue is required. Looking ahead, the board has made the decision to set up an Audit & Risk Committee in 2017 under the Chairmanship of Shaun Brown. The purpose of the audit and risk committee is to ensure probity and efficiency in the management of MacIntyre Academies' resources, reviews of financial controls and the risk register, and the monitoring of the feedback from LABs on the management of risks.

Review of Value for money

As Accounting Officer, the CEO is responsible for ensuring the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for taxpayer resources received.

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

During this period, the Trust was involved in the procurement of two new websites for Discovery and Quest Academies. A thorough exercise was led by the Engagement and Families Strategic Lead supported by a trustee with marketing expertise. Ten companies responded to the tender, five were short listed for interview and the winning supplier unanimously approved by the tender panel. The supplier met the specification of the tender and delivered the websites on time and within agreed budgets.

The Trust has also sought to ensure best value through the following:

- Using text and electronic methods of communication for all correspondence and communications with families where possible. This includes daily/weekly updates as required, newsletters, information sharing;
- Extending the contracted hours of experienced teaching assistants to ensure children are supported by people they know well, reducing the need for after school workers or lunch time supervisors;
- Purchasing personalised specialist equipment for children as required to ensure full access to the curriculum;
- Purchasing school lunches in partnership with a nearby primary school; and
- Using the experienced Occupational Therapist (OT) at Endeavour Academy to oversee the new OT at Discovery Academy.

The Trust Board is accountable for approving all major financial decisions. LABs are accountable for monitoring the spend of an academy and can make recommendations regarding future priorities for spending to the Trust Board. The Trust does not operate a separate finance committee but ensures financial governance and oversight is strong through a standing item and report at every Trust Board meeting. Trust Board meetings are currently extended to focus on audit and risk matters but the Board has now made the decision to set up a separate Audit & Risk Committee in 2017. This Committee will use high-level data in a key risk data dashboard arising from the implementation of the new Quality & Compliance Framework. The dashboard will facilitate the consideration of all key risks including safeguarding, health and safety and financial risks. The accounts from the previous year (December) and the proposed annual budget for the next year (May) will be reviewed at the Audit & Risk Committee prior to being presented to the Trust Board for approval.

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 school policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Capacity to Handle Risk

The Trust Board has reviewed the key risks to which MacIntyre Academies is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal on-going process for identifying, evaluating and managing MacIntyre Academies' significant risks that was designed and in place during the period ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the trustees.

The Risk and Control Framework

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

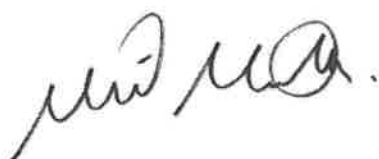
- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the trust board;
- Regular reviews by the TLG of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure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

Review of Effectiveness

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

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

Approved by order of the members of the Trust Board on 21/12/16 and signed on its behalf by:



Neil Macmillan
Chair



Brenda Mullen
Accounting Officer

Statement of Regularity, Propriety & Compliance

As Accounting Officer of MacIntyre Academies, I have considered my responsibility to notify the Academy Trust governing body and the EFA of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 Governors and EFA.



Brenda Mullen
Accounting Officer

Date: 21/12/16

Statement of Governors' Responsibilities

The governors (who act as trustees of MacIntyre Academies and are also the Trustees of the Academy for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law, the governors 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 academy trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in operation.

The governors are responsible for keeping proper accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the Academy Trust 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 the EFA/DfE have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the charity and financial information included on the Academy Trust'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 Governors on 21/2/16 and signed on its behalf by:



Neil Macmillan
Chair

Independent Auditor's Report on the Financial Statements to the Board of Trustees of MacIntyre Academies

We have audited the financial statements of MacIntyre Academies for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Directors' Responsibilities, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report on the Financial Statements to the Board of Trustee
MacIntyre Academies
(continued)

Matters on which we are required to report by exception

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

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

Kingston Smith LLP

Date: 22/12/16

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Independent Reporting Accountant's Assurance Report on Regularity to MacIntyre Academies and the Education Funding Agency

In accordance with the terms of our engagement letter dated 14 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by MacIntyre Academies during the period 01 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of MacIntyre Academies's funding agreement with the Secretary of State for Education dated 4 March 2014 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry
- Inspection and review
- Observation and reperformance

Independent Reporting Accountant's Assurance Report on Regularity to MacIntyre Academies and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kingston Smith LLP

Date:

22/12/16

Neil Finlayson (Senior Statutory Auditor)

for and on behalf of Kingston Smith LLP, Statutory Auditor

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Statement of Financial Activities for the year ended 31 August 2016
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	2,480	53,224	-	55,704	8,008,406
Charitable activities:						
Funding for the academy trust's educational operations	3	-	4,290,019	-	4,290,019	2,216,140
Other trading activities		-	-	-	-	-
Investments	4	-	-	-	-	5
Total		2,480	4,343,243	-	4,345,723	10,224,551
Expenditure on:						
Raising funds	5	-	81,649	-	81,649	113,657
Charitable activities:						
Academy trust educational operations	5	-	3,623,356	167,390	3,790,746	2,047,555
Other		-	-	-	-	-
Total		-	3,705,005	167,390	3,872,395	2,161,212
Net income / (expenditure)		2,480	638,238	(167,390)	473,328	8,063,339
Transfers between funds	14	-	(162,503)	162,503	-	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	14, 21	-	(176,000)	-	(176,000)	(2,000)
Net movement in funds		2,480	299,735	(4,887)	297,328	8,061,339
Reconciliation of funds						
Total funds brought forward		303	237,556	7,992,626	8,230,485	169,146
Total funds carried forward		2,783	537,291	7,987,739	8,527,813	8,230,485

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

MacIntyre Academies
Balance Sheet
as at 31 August 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	11		7,985,710		7,992,626
Intangible assets	10		2,029		-
Current assets					
Debtors	12	608,275		357,217	
Cash at bank and in hand		553,472		262,795	
		<u>1,161,747</u>		<u>620,012</u>	
Liabilities					
Creditors : Amounts falling due within one year	13	(384,673)		(365,153)	
Net current assets/(liabilities)			<u>777,074</u>		<u>254,859</u>
Total assets less current liabilities			8,764,813		8,247,485
Net assets excluding pension liability					
Defined benefit pension scheme liability	21		(237,000)		(17,000)
Total net assets			<u>8,527,813</u>		<u>8,230,485</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	14	7,987,739		7,992,626	
General fund	14	774,291		254,556	
Pension reserve	14	(237,000)		(17,000)	
Total restricted funds			8,525,030		8,230,182
Unrestricted income funds	14		2,783		303
Total funds			<u>8,527,813</u>		<u>8,230,485</u>

The financial statements were approved by the trustees, and authorised for issue on 21/12/2016 and are signed on their behalf by:



Neil Macmillan
Chair

MacIntyre Academies
Cash Flow Statement
for the year ended 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	16	453,180	8,145,158
Cash flows from investing activities	18	-	-
Cash flows from financing activities	17	(162,503)	(8,134,881)
Change in cash and cash equivalents in the reporting period		<u>290,677</u>	<u>10,277</u>
Cash and cash equivalents at 1 September 2015		262,795	252,518
Cash and cash equivalents at 31 August 2016		<u>553,472</u>	<u>262,795</u>

1 Statement of Accounting Policies

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

Company information

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: 'Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102))', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006.

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

First time adoption of FRS 102

These financial statements are the first financial statements of Hatfield Community Free School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 22.

Going Concern

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

Income

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

1 Statement of Accounting Policies (continued)

Grants

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

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

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

Sponsorship Income

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

Donations

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

Other Income

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

Donated goods, facilities and services

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

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

Expenditure

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

1 Statement of Accounting Policies (continued)

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.

Expenditure on Raising Funds

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

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

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

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

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life as follows:

Purchased computer software	Over the license period
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1 Statement of Accounting Policies (continued)

Liabilities

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

Provisions

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

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

Leased Assets

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

Cash and cash equivalents

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

Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

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

1 Statement of Accounting Policies (continued)

Other financial assets

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

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

Impairment of financial assets

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

1 Statement of Accounting Policies (continued)

Other financial liabilities

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

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

Derecognition of financial liabilities

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

Taxation

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

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

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Employee benefits

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

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

1 Statement of Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions

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

1 Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgment (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2016

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Donated staff costs	-	53,224	53,224	103,224
Donated fixed assets	-	-	-	7,904,884
Other donations	2,480	-	2,480	298
	<u>2,480</u>	<u>53,224</u>	<u>55,704</u>	<u>8,008,406</u>

The income in donations and capital grants totalled £2,480 (2015: £8,008,406) of which £2,480 was unrestricted (2015: £298), £53,224 was restricted (2015: £103,224) and £nil was restricted fixed assets (2015: £7,904,884).

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE / EFA revenue grants				
General Annual Grant (GAG)	-	622,283	622,283	116,270
Start Up Grants	-	110,000	110,000	-
Other DfE/EFA grants	-	63,308	63,308	80,345
	<u>-</u>	<u>795,591</u>	<u>795,591</u>	<u>196,615</u>
Other Government grants				
Local authority grants	-	3,486,608	3,486,608	2,019,525
Special educational projects	-	-	-	-
	<u>-</u>	<u>3,486,608</u>	<u>3,486,608</u>	<u>2,019,525</u>
Other Income from the academy trust's educational operations				
	-	7,820	7,820	-
	<u>-</u>	<u>7,820</u>	<u>7,820</u>	<u>-</u>

The income in the academy trust's educational operations was £4,290,019 (2015: £2,216,140) of which £nil was unrestricted (2015: £nil), £4,290,019 was restricted (2015: £2,177,706) and £nil was restricted fixed assets (2015: £38,429).

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Short term deposits	-	-	-	5
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>

Income in investment income was £nil (2015: £5) of which £nil was unrestricted (2015: £5).

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2016

5 Expenditure

	Staff Costs £	Non Pay Expenditure		Total 2016 £	Total 2015 £
		Premises £	Other £		
Expenditure on raising funds	-	1,721	79,928	81,649	113,657
Academy's educational operations:					
Direct costs	2,496,766	21,233	253,829	2,771,828	1,281,859
Allocated support costs	480,661	288,070	250,187	1,018,918	765,696
	2,977,427	311,024	583,944	3,872,395	2,161,212

The expenditure in raising funds was £81,469 (2015: £113,657) of which £81,469 was restricted (2015: £113,657).

The expenditure in the academy's educational operations was £3,790,746 (2015: £2,047,555) of which £nil was unrestricted (2015: £nil), £3,623,356 was restricted (2015: £1,927,586) and £167,390 was restricted fixed assets (2015: £149,345).

Net income / (expenditure) for the period includes:

	2016 £	2015 £
Fees payable to auditor for:		
Audit	8,300	7,222
Other services	18,388	-
	26,688	7,222

6 Charitable Activities

Direct costs - educational operations

	Unrestricted £	Restricted General £	Restricted Fixed Assets £	Total 2016 £	Total 2015 £
Teaching staff costs	-	2,496,766	-	2,496,766	1,114,247
Premise costs	-	21,233	-	21,233	48,460
Other direct costs	-	253,829	-	253,829	119,152
Total direct costs	-	2,771,828	-	2,771,828	1,281,859

Support costs - educational operations

	Unrestricted £	Restricted General £	Restricted Fixed Assets £	Total 2016 £	Total 2015 £
Support staff costs	-	480,662	-	480,662	243,422
Depreciation and amortisation	-	-	167,390	167,390	149,345
Technology costs	-	-	-	-	30,250
Premise costs	-	120,681	-	120,681	137,657
Other support costs	-	217,659	-	217,659	175,647
Governance costs	-	32,527	-	32,527	29,375
Total support costs	-	851,529	167,390	1,018,919	765,696
Total direct and support costs	-	3,623,357	167,390	3,790,747	2,047,555

7 Staff

a. Staff costs

	2016 £	2015 £
Staff costs during the period were:		
Wages and salaries	2,109,285	894,029
Social security costs	151,719	61,496
Operating costs of defined benefit pension scheme	408,463	161,311
	2,669,467	1,116,836
Supply staff costs	254,736	88,352
Donated staff costs	53,224	103,224
	2,977,427	1,308,412

7 Staff (Continued)

c. Staff numbers

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

	2016 No.	2015 No.
Teachers	14	5
Administration	20	5
Support	78	21
Management	11	2
	123	33

d. Higher paid staff

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

	2016 No.	2015 No.
£80,001 - £90,000	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £331,528 (2015: £244,374). Please note that the 2015 charge is considerably lower than the 2016 charge as further key management personnel roles were filled during the year.

10 Disclosure of central services

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

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

The trust charges for these services on the following basis:

Flat percentage of income - 5% of EFA and SEN funding

The actual amounts charged during the year were as follows:

	2016 £	2015 £
Endeavour Academy	121,248	85,858
Discovery Academy	86,981	-
	208,229	85,858

8 Related Party Transactions - Trustees' Remuneration and Expenses

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

During the period, expenses totalling £122,247 (2015: £61,413) were paid by MacIntyre Care on behalf of the Academy trust. MacIntyre Care is a member of the Academy Trust. Included in other creditors is £57,787 (2015: £24,631) owed to MacIntyre Care as at the balance sheet date.

MacIntyre Care also provided 1 (2015: 3) seconded employees to project manage the operations of the Academy Trust, £nil (2015: £51,237) was invoiced to the Academy Trust in respect of these services. Services of one of the employees (Brenda Mullen) were donated to the Academy trust, the cost of the services totalling £53,224 (2015: £103,224) is included within the Statement of Financial Activities.

Trustees expenses of £nil (2015: £nil) were reimbursed by the Academy trust during the year.

9 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.

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2016

10 Intangible fixed assets

	Computer Software £	Total £
Cost		
At 1 September 2015	-	-
Additions	2,705	2,705
At 31 August 2016	2,705	2,705
Amortisation		
At 1 September 2015	-	-
Charged in year	676	676
At 31 August 2016	676	676
Net book values		
At 31 August 2016	2,029	2,029
At 31 August 2015	-	-

11 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 1 September 2015	7,950,260	131,722	59,989	8,141,971
Additions	-	92,545	67,253	159,798
At 31 August 2016	7,950,260	224,267	127,242	8,301,769
Depreciation				
At 1 September 2015	103,005	26,344	19,996	149,345
Charged in year	103,005	33,837	29,872	166,714
At 31 August 2016	206,010	60,181	49,868	316,059
Net book values				
At 31 August 2016	7,744,250	164,086	77,374	7,985,710
At 31 August 2015	7,847,255	105,378	39,993	7,992,626

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2016

12 Debtors	2016 £	2015 £
Trade debtors	271,673	54,174
VAT recoverable	267,377	124,558
Prepayments and accrued income	69,225	178,485
	<u>608,275</u>	<u>357,217</u>
13 Creditors: Amounts falling due within one year	2016 £	2015 £
Trade creditors	186,522	182,543
Taxation and social security	72,794	47,099
Other creditors	80,950	24,711
Accruals	44,407	110,800
	<u>384,673</u>	<u>365,153</u>

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2016

14 Funds	Balance at 1 September 2015 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	-	622,283	(622,283)	-	-
Start Up Grant	-	110,000	(21,050)	-	88,950
Other DfE grants	75,000	63,309	(88,606)	-	49,703
Other local authority funding	179,556	3,491,948	(2,873,363)	(162,503)	635,638
Pension reserve	(17,000)	-	(44,000)	(176,000)	(237,000)
Other funding	-	55,703	(55,703)	-	-
	<u>237,556</u>	<u>4,343,243</u>	<u>(3,705,005)</u>	<u>(338,503)</u>	<u>537,291</u>
Restricted fixed asset funds					
Other funding	7,992,626	-	(167,390)	162,503	7,987,739
Capital expenditure from GAG sponsorship	<u>7,992,626</u>	<u>-</u>	<u>(167,390)</u>	<u>162,503</u>	<u>7,987,739</u>
Total restricted funds	<u>8,230,182</u>	<u>4,343,243</u>	<u>(3,872,395)</u>	<u>(176,000)</u>	<u>8,525,030</u>
Total unrestricted funds	<u>303</u>	<u>2,480</u>	<u>-</u>	<u>-</u>	<u>2,783</u>
Total funds	<u>8,230,485</u>	<u>4,345,723</u>	<u>(3,872,395)</u>	<u>(176,000)</u>	<u>8,527,813</u>

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

Restricted general funds

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

Restricted fixed asset fund

All capital grants received from the Department for Education and the Local Authority are to be used on capital expenditure.

Unrestricted funds

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

Analysis of academies by fund balance

Fund balances as at year end were allocated as follows:

	2016 £	2015 £
Endeavour Academy	472,664	181,163
Discovery Academy	211,626	47,580
Quest Academy	88,950	-
Central Services	3,834	26,116
Total before fixed assets and pension reserve	<u>777,074</u>	<u>254,859</u>
Restricted fixed asset fund	7,987,739	7,992,626
Pension reserve	(237,000)	(17,000)
Total reserves	<u>8,527,813</u>	<u>8,230,485</u>

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2016

15 Analysis of net assets between Funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	7,987,739	7,987,739
Current assets	2,783	1,158,964	-	1,161,747
Current liabilities	-	(384,673)	-	(384,673)
Pension scheme liability	-	(237,000)	-	(237,000)
Total net assets	2,783	537,291	7,987,739	8,527,813

16 Reconciliation of Net Income/(expenditure) to Net Cash Inflow from Operating Activities

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	297,328	8,063,339
Adjusted for:		
Depreciation	166,714	149,345
Amortisation	676	
Interest receivable	-	(5)
Defined benefit pension scheme cost less contributions payable	44,000	15,000
(Increase)/decrease in debtors	(251,058)	(330,834)
Increase/(decrease) in creditors	195,520	248,313
Net Cash provided by / (used in) Operating Activities	453,180	8,145,158

17 Cash flows from financing activities

	2016 £	2015 £
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

18 Cash flows from investing activities

	2016 £	2015 £
Dividends, interest and rents from investments	-	5
Purchase of tangible fixed assets	(159,798)	(8,134,886)
Purchase of intangible fixed assets	(2,705)	-
Net Cash provided by / (used in) investing Activities	(162,503)	(8,134,881)

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2016

19 Analysis of cash and cash equivalents

	At 31 August 2016 £	At 31 August 2015 £
Cash in hand and at bank	553,472	262,795
Total cash and cash equivalents	553,472	262,795

20 Members' Liability

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

21 Pension and Similar Obligations

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

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

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

Contributions amounting to £29,022 were payable to the schemes at 31 August 2016 (2015: £21,376) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

21 Pension and Similar Obligations (Continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years 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 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be

Teachers' Pension Scheme Changes

The employer's pension costs paid to TPS in the period amounted to £112,698 (2015: £40,677).

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

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

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2016

21 Pension and Similar Obligations (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 2016 was £267,000 (2015: £137,474), of which employer's contributions totalled £206,000 (2015: £105,634) and employees' contributions totalled £61,000 (2015: £31,840). The agreed contribution rates for future years are 23.5% for employers and between 5.5% and 12.5% for employees.

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

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	4.1%	4.5%
Rate of increase for pensions in payment/inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.2%	4.0%
Inflation assumption (CPI)	-	2.7%

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

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.3	23.3
Females	25.8	25.7
<i>Retiring in 20 years</i>		
Males	25.6	25.5
Females	28.1	28.0

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

	Expected Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equity instruments	325,950	100,000
Debt instruments	79,090	21,000
Property	36,130	9,000
Cash	13,830	4,000
Total market value of assets	455,000	134,000

MacIntyre Academies
Notes to the Financial Statements (continued)
for the year ended 31 August 2016

21 Pension and Similar Obligations (continued)

	2016 £	2015 £
Amounts recognised in the statement of financial activities		
Current service cost (net of employee contributions)	251,000	117,000
Employee contributions	(206,000)	(101,000)
Net interest	(1,000)	1,000
Total operating charge	<u>44,000</u>	<u>17,000</u>
Changes in the fair value of defined benefit obligations were as follows:	2016 £	2015 £
At 1 September	151,000	-
Current service cost	251,000	117,000
Interest cost	9,000	3,000
Employee contributions	61,000	31,000
Actuarial (gain)/loss	220,000	-
At 31 August	<u>692,000</u>	<u>151,000</u>
Changes in the fair value of Academy's share of scheme assets:	2016 £	2015 £
At 1 September	134,000	-
Interest income	10,000	2,000
Employee contributions	61,000	31,000
Employer contributions	206,000	101,000
Actuarial (gain)/loss	44,000	-
At 31 August	<u>455,000</u>	<u>134,000</u>

22 Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenses. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenses. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £2,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

Cash flow statement

The adoption of FRS 102 has required certain presentational changes to the cash flow statement, although the cash flow statement presents substantially the same information as under previous UK GAAP. Under previous UK GAAP cash flows are presented under nine standard headings whereas under FRS 102 the requirement is to classify cash flows into operating, investing and financing activities.