

**The Mast Academy Trust
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements
For the period ending 31 August 2019**

**Company Registration Number:
10357163 (England and Wales)**

The Mast Academy Trust

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The Mast Academy Trust

Reference and Administrative Details

Members	Chris Pickavance Sue Lord Carole McDermott Peter Laurence Martyn Jones
Trustees	Martyn Jones, appointed 2nd Sep 2016 Andrew Williams, appointed 2nd Sep 2016 Anthony Wilkinson, appointed 6th Sep 2016 Claire Grainger, appointed 2nd Sep 2016 (resigned 4th Oct 2018) Rosamund Roughton, appointed 2nd Sep 2016 (resigned 26th Mar 2019) Glen Wilson, appointed 6th Sep 2016 (resigned 10th Jul 2019) Debra Knowles, appointed 30th November 2016 (resigned 31st Jan 2019) Helen Jones, appointed 14th Jan 2017 Elizabeth Anne Godman, appointed 25th May 2018 Baljit Kaur Barring, appointed 4th Oct 2018 (resigned 4th October 2019) Andrea Mills, appointed 12th Dec 2018 James Timothy Wade, appointed 26th March 2018 David Philip Oldfield, appointed 24th May 2019
Company Secretary	Schofield Sweeney Church Bank House Church Bank Bradford BD1 4DY
Senior Management Team	
Chief Executive Officer	Natasha Greenough
Finance Director	Jason Field
Headteacher Kirkburton	Gary Johnson
Executive Headteacher	Debra Knowles
Company Name	The Mast Academy Trust
Company Address	Scissett Middle School Wakefield Road Scissett West Yorkshire HD8 9JX
Company number	10357163 (England and Wales)
Independent Auditor	Mazars LLP 5th Floor 3 Wellington Place Leeds LS1 4AP
Bankers	Lloyds Bank Huddersfield Branch PO Box 1000 BX1 1LT
Solicitors	Schofield Sweeney Church Bank House Church Bank Bradford BD1 4DY

The Mast Academy Trust

Trustees' Report

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

The Mast Academy Trust operates 4 academies in the West Yorkshire area. Its academies have a combined pupil capacity of 1,362 and had a roll of 1,383 in the school census on 4th October 2018.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of the Mast Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Mast Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed from a wide range of backgrounds and skills to fulfil the requirements of the competency framework for governance and also the requirement of the articles of association. The Mast Academy Trust works in its local community and with organisations such as Academy Ambassadors to try and find new Trustees that have skills and knowledge to strengthen the Trust.

Appointments are proposed and approved by the Board of Trustees of the Mast Academy.

The chair and vice-chair of the Trust are re-elected on an annual basis in line with the articles of the Trust.

The Mast Academy Trust

Trustees' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

All the Trustees of the Mast Academy Trust are welcomed into the Trust by the chair of the Board of Trustees and an assessment is made of the skills and knowledge that they have and where additional support would be beneficial in order to enhance their understanding of the Trust and of its ethos and vision. Additionally, a number of training opportunities are presented around key topics that are relevant to their role as governors in the academy sector. Events are held for both Trustees and Governors to update them on key developments in the academy sector. This has included sessions on educational programmes run by the Trust and how the new Ofsted framework will impact on schools, a matter that is particularly pertinent to the Trust over the coming period.

Formal checks are also conducted for all trustees to ensure that they are suitable to hold the post as directed by the legislation relevant to the Trust, and the Academies Financial Handbook.

The key management personnel of the Trust meet with Trustees to discuss matters relevant to the governance of the Trust and ensure that we have Trustees who are designated to lead on key strategic areas. This is done through updates at Board meetings, other meetings arranged outside of the Board, personal contact and correspondence relevant to Trustee needs.

As the Trust develops further work is planned in this area to ensure the effectiveness of the Trustees. The Chair of the Board of Trustees is now undertaking a review of the effectiveness of the governance of the Trust with the accounting officer and other key stakeholders to help shape a more robust and effective governance model for the Mast Academy Trust moving forward. This is crucial work to make sure that the Trust, which is still relatively new, establishes the most effective governance model to ensure that all the core functions of the Trust are well governed and serve the children of the Trust in the best way possible.

Organisational Structure

The Mast Academy Trust is governed in accordance with its articles of association and its funding agreement which is supported by a scheme of delegation that distributes delegated powers to different levels of the organisation.

The Board of Trustees is responsible for determining the vision, ethos and strategy of the organisation, with subcommittees being delegated powers for updating particular policy areas, allowing greater scrutiny of specialised decision making areas. Work on strengthening the subcommittees of the Board is a key for 2019/20 in order to ensure that the scheme of delegation is well communicated and understood and all stakeholders understand their role in decision making or advocacy of the Trust or one of its individual academies.

This clarity will allow the Trust to take control of the delivery of its statutory responsibilities and ensure that school standards are high everywhere in the Trust and that local governing bodies are able to focus unremittingly on support of their local school and its community to promote an excellent education for every child.

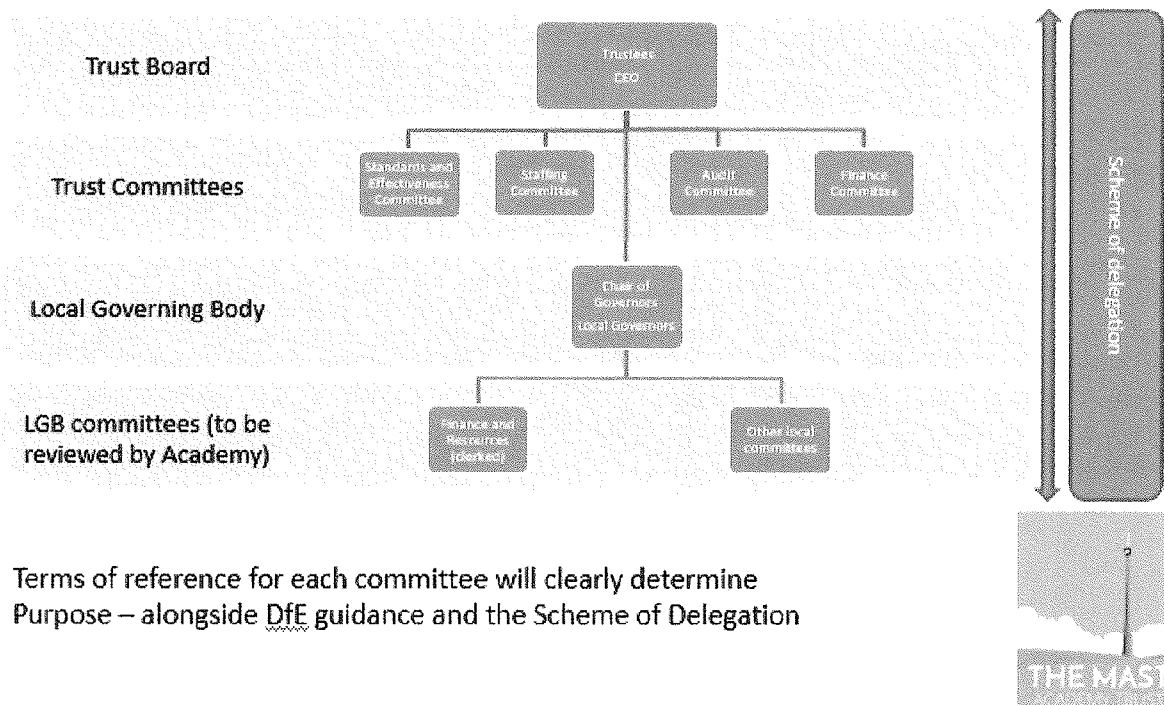
If any school is in need of additional support to help it achieve the standards required by the Trust or its regulator, powers are available for the Trust to support each school more directly and assume greater control of operational decision making. In 2019/20 we will be strengthening the central resources available to the Trust so that we can implement rapid improvements where they are necessary.

The Mast Academy Trust

Trustees' Report (continued)

The committee structure that supports organisational decision making has been made more robust this year, after previously being supported by more formal 'link' trustees. It is depicted below in summary:

The Mast Trust Committee Structure



Note that Local Governing Bodies currently have the freedom to run additional committees as are deemed necessary. This will form part of our work to ascertain whether or not this brings effective decision making.

The organisational structure is kept under review by the Board of Trustees in liaison with the key stakeholders involved in this structure. A deep dive review of governance and the scheme of delegation is underway to ensure that the Trust accelerates its capacity and strength in this area.

Arrangements for setting pay and remuneration of key management personnel

The remuneration of Chief Executive Officer and the Chief Financial Officer is set by the Board of Trustees according to the performance against objectives. This assessment is reviewed by the Trustees with responsibility for staffing matters to ensure that fairness and transparency has been achieved.

The Board of Trustees sets direction for the key management personnel in order to ensure that the vision and ethos of the Trust are clear and that the strategy of the Trust is carried out.

Key management personnel not mentioned above will have their pay set by the Local Governing Body of each school. This will be reviewed by the Governing body to ensure that the pay is consistent and within the parameters set by the overall pay policy of the Trust which is approved by Trustees. The staffing committee of the Trust will also receive information on this remuneration to ensure it is set consistently across the Trust

The Mast Academy Trust

Trustees' Report (continued)

Part of the review of Governance will ensure an increasing strong link between performance of key management personnel and pay to ensure that this is driving the Trust forward towards its key objectives. The staffing Trustees will also focus on management teams to make sure that pay and conditions are fair and equitable across all schools.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	0
51-99%	0
100%	0

Percentage of pay bill spent on facility time

Cost of facility time	0
Total pay bill	£5.457m
Percentage of total pay bill on facility time	0%

Paid Trade Union activities

NA	NA
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Related Parties and other Connected Charities and Organisations

The West Yorkshire Teaching Alliance is a teaching school organisation that is funded largely by grants from the Government. This provides school to school support across the region, also delivering other courses for teachers such as Initial Teacher Training packages. It has a network of leaders of education who deliver this support collaboratively.

The funding for this teaching school is managed at the Shelley First School as it is the lead school for this teaching school. The impact of this transfer can be seen in these reports and accounts in the Statement of Financial Activities. All funding received for the teaching school is used solely in association with its purpose

The Mast Academy Trust

Trustees' Report (continued)

Objectives and Activities

Objects and Aims

The object of the Trust is defined in our Articles of Association as 'to advance public benefit education' and this is a core part of the way we work.

The Mast Academy Trust has the vision of enabling everyone within the Trust to harness their own power and potential and fulfilling this through creating amazing learning opportunities for children and for generations to come. We also wish to play our part in helping all pupils to contribute to making the world a better place.

The Mast Academy Trust is committed to this vision, and after establishing itself as a Trust is now in the process of reviewing how we best move this forward in the context of a multi academy trust. We are aware that helping all our schools achieve this relies not only on a clear vision, but also the ability to move this forward through clear governance procedures that allow swift action and robust monitoring.

A review of governance is currently underway and we believe the outcomes of this process, early in 2020, will allow us to clarify the decision making process in the Trust and deliver an exciting future for all our schools, offering the right level of support to all our staff and children.

Objectives, Strategies and Activities

The Mast Academy Trust has been focussed on establishing an effective trust structure and to continue achieving good outcomes for our children during the course of the year. We are developing our infrastructure and communication processes to become increasingly effective as a Trust.

We have also planned to remain financially sustainable and this has been achieved with a strong level of reserves that will allow reinvestment in key priorities moving forward.

Trustees have continued to be involved in developing the structure of the Trust to support its schools and review information across a number of specialisms. This has been supported by link Trustees with skills and knowledge aligned to governance competencies and continues to be strengthened with a more robust committee structure now being implemented.

The Trust has made progress in developing its central support structure and now has increased capacity having appointed experts in safeguarding, executive administration of governance and information technology to the central team. Further work is planned in this area and this is referred to below.

Public Benefit

Public benefit is the primary function of our Trust, providing benefit to our community by offering all children we serve with the best education they can possibly have. The Trustees have considered the charities commission's guidance on public benefit and are satisfied the Mast Academy Trust falls within this definition.

We also strive to support our local community with employment and offer support to parents with relation to improving the life chances of their children.

We are proud of this purpose and it is central to our objects and the reality of our activities.

The Mast Academy Trust

Trustees' Report (continued)

Strategic Report

Achievements and Performance

Our schools have good academic results in core subjects and progress in our middle schools have been driven by focussed activity during the course of the previous year. Projects such as the Maths project across our local pyramid have borne fruit and significant improvements have been seen as a result. More specific details of areas of focus can be seen in the review of our key priorities below:

Outcomes (high standards of education)

- The Trust has a strong focus on the outcomes of all of our children across both Primary and Middle schools. This can be seen from the results presented in this report.
- Collection of data has been standardised across a number of key measures relevant nationally (e.g. key stage data) and to the specific structure of the Trust (e.g. Progress measures entry to exit at the Middle Schools).
- The Trust has also put in place action plans at schools that are not good in Ofsted terms and is working with good schools to maintain standards. All schools should be rated as good or better at their next Ofsted review, and internal assurance should track progress towards this objective.
- The peer review programme will be continued at all schools, with the support of key Trustees, and strengthened with objective and independent review of these results.
- To assess the outcomes of external reviews of our schools and respond to these with appropriate action plans. This will be particularly relevant in this year in order to ensure good and outstanding outcomes for all schools over the coming periods
- To continue developing joint practice across the Trust and also to share this with the pyramid of schools within the local area, including review of curriculum for each of our environments. This has been successful in the last year with the Maths projects showing to clearly improve progress scores at both middle schools.

Governance and Leadership

- The Trust is reviewing governance structures in order to ensure that effective decision making is central to the Trust's ability to be effective. This will include discussions with all levels of our governance and leadership team to ensure that the Trust can take action quickly when it needs to and share the best examples of effective governance. This will include a review of the governance structure for the Trust as a whole, the role of the central team and the scheme of delegation.
- The leadership structure of the Trust (for those employed by the Trust directly) will also be reviewed so it ensures that it aligns to the governance structure agreed and is able to share best practice as effectively as possible
- The Trust will review the effectiveness of the teaching school as part of this review to ensure that it fits with the governance structure of the trust and is supporting the objectives of the Trust.

Communication and personal development

- To embed consistent Trust wide IT infrastructure to improve shared communication and use the latest technology for collaborative working.
- To hold regular events for Trustees and Governors to ensure that messages for Trust improvement are consistent and well understood across all schools.
- To develop the skills of the governance community to promote the key priorities of the Trust and deliver critical and robust reviews of performance, collecting feedback for the future as this engagement happens. This will include the outcomes of our governance review and how this will strengthen communication.
- To align staff training across the Trust to ensure that our training and inset timetables are aligned and deliver the most effective outcomes for all, promoting sharing of best practice across schools.
- To review and strengthen key knowledge and skill areas, whether curriculum based (e.g. subject specialism) or additionally in areas such as safeguarding ensuring that the Trust has organisation wide resilience in all areas needed to deliver excellent outcomes.

The Mast Academy Trust

Trustees' Report (continued)

Strategic Report (continued)

Achievements and Performance (continued)

Operational effectiveness and financial sustainability

- The Trust has continued to place a high priority on delivering financial sustainability. This includes levels of cumulative reserves being at least 3-5% at each school and having balanced budgets in the current financial year for recurring expenditure.
- This will be enhanced by improving operational effectiveness with a trust service level of 4% of GAG income being used to deliver high quality services and being specified in a service level agreement that will outline services provided and standards required in schools

Key Performance Indicators

Key performance indicators and results are laid out below:

Academic KS1:

We have seen strong academic outcomes in many strands of the curriculum as can be seen from the tables below. In Early Years Foundation Stage, the number of pupils achieving age related expectations is above national average and the number of pupils exceeding is also above average in Writing and Maths. At Key Stage 1, results were strong in one school. At Birdseye, 3 pupils did not meet Age Related Expectations ("ARE") in Maths and Writing and 2 did not meet ARE in Reading.

EYFS	ELG Reading		ELG Writing		ELG Maths		GLD
	EXP	EXC	EXP	EXC	EXP	EXC	
Shelley First School (35)	86%	20%	83%	20%	86%	(23%)	80%
Birdseye First School (6)	83%	17%	83%	17%	83%	17%	83%
NA%	77	19	73	11	78	12	72

Phonics	YR 1 NA	Yr 1 %	NA Score	Average Score	Yr 2 %
Shelley First School (34)	83%	83%	33.9	34	5/6 -80%
Birdseye First School (7)	83%	71%	33.9	33.1	0 (1)

KS1 Number of pupils:	ARE Maths NA	ARE Maths	GDS Maths NA	GDS Maths	ARE Reading NA	ARE Reading	GDS Reading NA	GDS Reading	ARE Writing NA	ARE Writing	GDS Writing NA	GDS Writing
Shelley First School (35)	76	80%	22	26%	76	80%	22	31%	76	68%	22	17%
Birdseye First School (6)	76	50%	22	0	76	67%	22	31	76	50%	22	0

The Mast Academy Trust

Trustees' Report (continued)

Strategic Report (continued)

Key Performance indicators (continued)

Academic KS2:

SATs are sat at non-traditional points in Middle schools and, in line with DFE guidance, pupils traditionally have lower progress scores than those in traditional primaries.

The SATs' results for the 2 Middle Schools for 2019 are:

	Reading	Writing (TA)	Maths	Combined
National	73%	78%	79%	65%
Scissett Middle School	74.8%	80.7%	75.2%	63.4%
Kirkburton Middle School	76%	85%	79%	66%

When the Trust formed, as a result of historical under-performance in Mathematics, the trust instigated a two-year improvement project. This involved supporting 16 schools within the pyramid with developing Mathematics teaching across Years' 5 and 6. This year's results reflect the outcome of the two-year project and improvements are represented below in the percentage of pupils reaching ARE:

	Reading	Writing (TA)	Maths	Combined
Scissett Middle School	+ 1%	-4.3%	+ 7%	+ 3.6%
Kirkburton Middle School	+ 5%	-1%	+19%	+9%

The work of the Trust can clearly be seen in the pronounced improvement specifically in Mathematics, but also in Reading as collaborative practises have supported school improvement.

Academic KS3:

As Middle Schools, who are 2 of 5 schools in the country to take pupils from the beginning of Year 6, progress is judged by externally assessed and validated GL data. Entry to exit data – demonstrated through the confidence intervals presented, clearly indicates the exceptional progress pupils make and shows that all pupils leave significantly above national average. On entry, in Mathematics, free school meals ("FSM") pupils arrive below national average, but have caught up with peers nationally by the time they leave and are broadly in line. The gap is closed for this group across both subjects in both schools and shows the enormous capacity the trust has to support school improvement and accelerate outcomes.

Our KS3 outcomes continue to be very strong with pupils performing well above national average in the end of phase GL tests.

The Mast Academy Trust

Trustees' Report (continued)

English

Scissett Middle School:

By FSM

National Average	No. of Students		Mean SAS		SAS (with 90% confidence bands)									
	-		100.0		60	70	80	90	100	110	120	130	140	
	Y6 Start	Y8 End	Y6 Start	Y8 End										
All Students	197	192	102.8	110.8										
N	171	172	104.3	112.1										
Y	26	20	93.3	99.7										

Kirkburton Middle School:

By FSM

National Average	No. of Students		Mean SAS		SAS (with 90% confidence bands)									
	-		100.0		60	70	80	90	100	110	120	130	140	
	Y6 Start	Y8 End	Y6 Start	Y8 End										
All Students	166	166	104.9	110.4										
N	152	146	105.8	111.4										
Y	14	20	95.1	103.1										

Mathematics

Scissett Middle School

By FSM

National Average	No. of Students		Mean SAS		SAS (with 90% confidence bands)									
	-		100.0		60	70	80	90	100	110	120	130	140	
	Y6 Start	Y8 End	Y6 Start	Y8 End										
All Students	197	192	100.2	115.2										
N	171	172	101.4	116.5										
Y	26	20	92.3	104.4										

The Mast Academy Trust

Trustees' Report (continued)

Kirkburton Middle School:

By FSM

National Average	No. of Students		Mean SAS		SAS (with 90% confidence bands)									
	Y6 Start	Y8 End	Y6 Start	Y8 End	60	70	80	90	100	110	120	130	140	
			100.0											
All Students	166	166	99.4	114.8										
N	152	146	100.6	116.3										
Y	14	20	86.9	103.4										

Pastoral Outcomes:

Attendance across our schools is high and persistent absence ("PA") figures are low as demonstrated in the tables below. None of our schools have permanently excluded since the formation of the trust and fixed term exclusion rates are very low.

Data for full year 2018/19	Attendance 2018/19 (NA: 95.8%)	PA 2018/19 (NA: 8.7%)	Permanent Exclusions	Number of Fixed term exclusion
Scissett Middle School	96.4%	4.8%	0	6 (5 pupils)
Kirkburton Middle School	96%	5.3%	0	11 (4 pupils)
Shelley First School	97.14%	3.41%	0	0
Birdsedge First School	97.4%	4.41%	0	0

Going Concern

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

The Mast Academy Trust

Trustees' Report (continued)

Financial Review

The performance of the Trust financially continues to be strong. It gives the Trust the flexibility to choose amongst a number of options for reinvestment of its income and we are mindful that the money needs to be reinvested wisely to create opportunities for our children.

The Trust is now in a position of having free reserves of £1,018k represented by unrestricted funds of £683k and restricted general funds of £335k (2017/18 £1,036k). It should be noted that the reserves currently associated with the West Yorkshire Teaching Alliance now amount to £163k leaving £855k (2017/18 £763k) of funds available for the Trust. Teaching School funds are treated separately and will not be used for the objects of the Trust. It is also relevant to note that all schools remain in surplus and have increased surplus this year. During the year the Trust made a surplus of £92k excluding WYTA.

A number of priorities have been identified that will be reviewed and acted upon to invest in the infrastructure of the Trust. This will be taken forward with greater pace once the governance review has made its recommendations.

We continue to ensure that plans are monitored by Trustees and that the financial position of the Trust is reviewed in the context of the funding environment delivered by the Department for Education.

Reserves Policy

The Trust maintains a Reserves policy that is reviewed by the Board of Trustees on a periodic basis to ensure it remains in line with the Trust objectives.

The Trust distinguishes clearly between reserves that are available for use in future expenditure (Restricted General and Unrestricted funds) and those that are committed to specific areas of expenditure (Restricted Fixed Asset Fund and Pension reserve). Reserves relating to the teaching school are also set aside as these are not available to the other schools in the Trust.

Free reserves are above the expected level of 3-5% of income for the Trust and there is some flexibility for strategic investment. They now stand at £885k which is around 13% of the income relating to educational operations. This reserve will be used to improve governance strength, school improvement processes and action, safeguarding processes and also allow schools to invest in infrastructure and training. These plans will be agreed at Trust level and will return reserves to levels nearer policy recommended levels, benefitting the educational outcomes of children in the Trust.

Investment Policy

The Mast Academy Trust takes a low risk approach to investments and is entirely utilising short term deposits with secure banking partners at this stage and for the foreseeable future. Our priorities remain to ensure that there is the lowest possible risk to circumstances affecting resources adversely.

The Trust maintains an investment policy that is reviewed by the Board of Trustees on a periodic basis to ensure it remains in line with the Trust objectives and risk profile.

Principal Risks and Uncertainties

There are a number of risks that The Mast Academy Trust faces as an academy trust. Some of these are inherent within our environment and others are particular to an organisation within its early stages of development.

The Trust is relatively new and will focus a lot of energy on ensuring that the organisational structure of The Mast Academy Trust is strengthened to face the key challenges that we have moving forward.

The Mast Academy Trust

Trustees' Report (continued)

Principal Risks and Uncertainties (continued)

This will include improving the effectiveness of our governance overall, and we know that this will be critical to our success. The Governance review that is underway will deliver solutions to allow effective delivery of the results in a clear and effective governance structure, with Trustees having strong input into the delivery of plans and greater levels of scrutiny over resulting outcomes. As well as this we will be implementing improving school improvement networks within the Trust and ensuring our systems are robust in a number of different areas of the organisation, including safeguarding as a priority. This will mitigate the risk of failing to operate effectively an organisational infrastructure and not achieve our objectives.

The new Ofsted framework is something that poses all schools a new challenge and means that as a Trust we will need to reflect on how we provide an excellent education to children, delivering a broad and balanced curriculum with the appropriate curriculum intent and implementation. The Trust has had reported Ofsted inspections at 3 of its schools in the last period (up to the publication of these accounts) and whilst Scissett Middle School has had a strong good, Birdsedge has had a Requires Improvement judgement and serious weaknesses have been identified at Kirkburton. We have been in discussions with the Department for Education about our capacity to overcome these challenges and believe that the fundamentals of the schools remain in place to deliver good and better outcomes in the future. This risk will be the primary focus of the Trust over the coming period. Training is being delivered to Trustees, governors and all employees in our schools to ensure that these standards are adhered to and the core messages that raise standards for our children are planned for and implemented.

There are also significant risks in the financial environment of the Trust and unpredictability in the future funding and costs of the organisation. This includes the potential for a new political environment moving forward and the triennial valuation of the Local Government pension scheme meaning amended contributions to the fund. The Trust is responding to this by ensuring that financial planning and reporting processes are all in place and reviewed regularly so that action can be taken to ensure financial sustainability into the long term. Despite this risk the Trust retains the flexibility in the short term to invest in key priorities to mitigate other risks identified.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Funds for the Mast Academy Trust as a multi academy trust are largely in the form of grants provided by the Department for Education through the Education and Skills Funding Agency.

Fundraising conforms to recognised standards and there have been no complaints in this area.

Plans for Future Periods

The Trust has demonstrated over previous years that it has been able to generate good outcomes for its children and is able to operate financially sustainably. It also has a strong commitment to the values that were in place when the Trust was set up.

We now have an opportunity as a Trust to flourish and embed an organisational and governance model that will take us forward and ensure consistently high standards in all of our schools. This is critical to the stability of each school and also to the long term plans of the Trust.

Our Governance review will be accelerated to allow us to achieve a robust model that is clear to all, and offers clarity of vision and action that allow all of our objectives to be met.

The work that has been started in creating a stronger support structure in the Trust will continue and alongside safeguarding, governance and IT developments, additional resource to improve the school improvement activity at the Trust will be added.

The Mast Academy Trust

Trustees' Report (continued)

Plans for Future Periods (continued)

We will invest in training and infrastructure that is required to deliver these improvements to the Trust whilst remaining financially sustainable, using some reserves for non-recurring projects to deliver long term improvements.

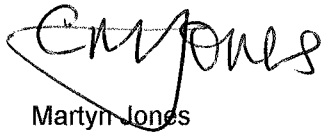
The Trust feels it has an opportunity to have a transformational year that will allow us to bring forward the actions that we need to implement in order to succeed and deliver an excellent learning experience to all our children in all our schools.

Auditor

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2019 and signed on the board's behalf by:



Martyn Jones

Trustee

The Mast Academy Trust

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the chief executive, as accounting officer, for ensuring financial controls conform 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 the Mast Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. A number of other meetings have taken place without formal minutes to discuss the development of the Trust and this has meant that Trustees have been able to remain connected with the business. The Trust recognises the need for stronger governance in future years and is looking to increase the number of Board meetings and increase the strength of the sub-committee structure.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Martyn Jones	3	3
Andrew Williams	2	3
Anthony Wilkinson	2	3
Rosamond Roughton	1	1
Glen Wilson	2	2
Helen Jones	1	3
Elizabeth Godman	2	3
Baljit Biring	2	3
Andrea Mills	2	2
Timothy Wade	2	2
Philip Oldfield	1	1
Debra Knowles	1	1

A sub-committee structure has been developed by the Trust during the course of the year and this is now starting to operate more formally. This will strengthen the areas in which the Trustees ensure formally that the governance of the Trust is increasingly effective. This will replace the less formal approach previously used with regard to having link Trustees in key areas. Trustees with skills in key areas will be given responsibilities in their areas of expertise.

The Mast Academy Trust

Governance Statement (continued)

The Board has functioned effectively this year and recognises that as the Trust becomes more developed there is a greater need for close monitoring of developments, particularly given the outcomes from Ofsted that have been reported recently. There have been a number of resignations over the year as a result of other commitments and the new Chief Executive is not taking a post as a trustee as the Trust feels this is less likely to cause conflicts of interest. New Trustees have been

recruited bringing skills such as safeguarding, marketing and finance with them replacing skills lost from resignations. The Trust will continue to recruit against any vacancies arising to ensure a full programme of scrutiny is delivered effectively.

The committees are as described in the section on organisation structure of the Trust in the Trustees Report and all have a defined set of responsibilities as defined in a terms of reference document that is reviewed each year. Trustees have been appointed and are in the process of planning a formal structure of meetings for 2019/20. A number of informal meetings have already taken place in order to establish ways of working and progress work previously dealt with by link Trustees.

The Audit committee has membership as below and the proposed membership of other committees is:

Staffing committee: Martyn Jones, Anthony Wilkinson, Liz Godman

Standards and Effectiveness committee: Andy Williams, Helen Jones

Finance Committee: Philip Oldfield, Andrea Mills

The committees are aligned to the three core functions of an academy Trust as defined in the Governance Handbook.

During the course of 2018-19 the Audit committee which has been functioning formally throughout the life of the Trust met twice.

Audit Committee (dealing with the internal control framework of the Trust)

Trustee	Meetings attended	Out of a possible
Glen Wilson	1	1
Rosamond Roughton	1	1
Debra Knowles	1	1
Philip Oldfield	1	1
Tim Wade	1	1

The Trust has now agreed membership for a Staffing committee, a standards and effectiveness committee and a finance committee. An executive officer has also been appointed to the central team to co-ordinate and strengthen the operation of the governance in the Trust.

Review of Value for Money

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

The Mast Academy Trust

Governance Statement (continued)

Review of Value for Money (continued)

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

- Procuring IT resources in an increasingly coordinated way meaning that bulk discounts can be achieved and equipment is becoming more consistent across the Trust. This is being supported by a move towards a Trust driven IT strategy that will allow the Trust to unlock the potential of the connected working across the Trust in the future. This has also meant that costs for expensive external IT support has been reduced.
- Business managers across the Trust continue to work collaboratively across the Trust to procure resources at better value. Cleaning services have all been insourced this year allowing greater control of standards and lower cost.
- Resources such as photocopying have been reduced in cost as a result of leasing arrangements negotiated on a Trust wide basis as Business Managers work together to improve deals as leases are renewed.
- The Trust continues to monitor opportunities to procure on a more effective basis using its contracts registers, highlighting when contracts are due for renegotiation.
- The Trust will continue to improve its knowledge of the tools that the Department for Education is rolling out to support Multi Academy Trust's so it can ensure that further opportunities are taken to improve value for money

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Mast Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the board of trustees and finance trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

The Mast Academy Trust

Governance Statement (continued)

The Risk and Control Framework (continued)

- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

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

- to appoint Mazars LLP as internal auditor

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On an annual basis, the auditor reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. This area will be strengthened over the coming period to allow increased internal scrutiny with a wider programme of internal control across a number of crucial strategic areas.

Review of Effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- The work of the audit committee in reviewing the risk register and monitoring actions

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

Approved by order of the members of the board of trustees on 18 December 2019 and signed on its behalf by:

Martyn Jones
Trustee



Natasha Greenough
Accounting Officer



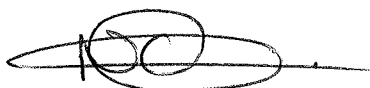
The Mast Academy Trust

Statement of Regularity, Propriety and Compliance

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

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

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



Natasha Greenough

Accounting Officer

18 December 2019

The Mast Academy Trust

Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 18 December 2019 and signed on its behalf by:



Martyn Jones

Trustee

The Mast Academy Trust

Independent auditor's report to the members of The MAST Academy Trust

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

The Mast Academy Trust

Independent auditor's report to the members of The MAST Academy Trust (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditors' reports thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 22, the Trustees (who are directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Mast Academy Trust

Independent auditor's report to the members of The MAST Academy Trust (continued)

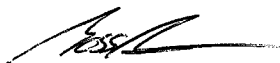
Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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



Ross Preston (Senior Statutory Auditor)
for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor
5th Floor
3 Wellington Place
Leeds
LS1 4AP

1st December 2019

The Mast Academy Trust

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

In accordance with the terms of our engagement letter dated 3 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The MAST Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The MAST Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The MAST Academy Trust and the ESFA those matters we are required to state to it 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 The MAST Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The MAST Academy Trust's Accounting Officer and the reporting accountant

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

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

Approach

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

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

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

The Mast Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The MAST Academy Trust and the Education & Skills Funding Agency (continued)

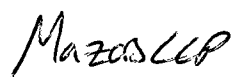
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

Conclusion

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



Reporting Accountant

Mazars LLP

19 December 2019

The Mast Academy Trust

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Donations and capital grants	2	-	-	758	758	182
Charitable activities:						
Funding for the academy trust's educational operations	3	77	6,614	-	6,691	6,464
Teaching school	3/25	60	189	-	249	570
Other trading activities	4	43	-	-	43	48
Investments	5	1	-	-	1	1
Total		181	6,803	758	7,743	7,265
Expenditure on:						
Charitable activities:						
Academy trust educational operations	6	42	6,909	287	7,238	6,688
Teaching School	25	50	309	-	359	462
Total		92	7,218	287	7,597	7,150
Net income / (expenditure)		90	(415)	471	146	115
Transfers between funds	16	-	(18)	18	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	16,23	-	(1,011)	-	(1,011)	375
Net movement in funds		90	(1,444)	489	(865)	490
Reconciliation of funds						
Total funds brought forward		593	(457)	13,995	14,131	13,641
Total funds carried forward		683	(1,901)	14,484	13,266	14,131

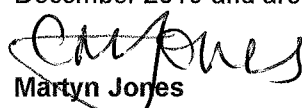
The Mast Academy Trust

Balance Sheet as at 31 August 2019

Company Number 10357163

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Intangible assets	11		36		28
Tangible assets	12		14,375		13,955
Current assets					
Debtors	13	607		250	
Cash at bank and in hand		1,638		1,566	
		<u>2,245</u>		<u>1,816</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	(1,104)		(703)	
Net current assets			<u>1,141</u>		<u>1,113</u>
Total assets less current liabilities			<u>15,552</u>		<u>15,096</u>
Creditors: Amounts falling due after more than one year	15		(50)		(65)
Net assets excluding pension liability			<u>15,502</u>		<u>15,031</u>
Defined benefit pension scheme liability	23		(2,236)		(900)
Total net assets			<u>13,266</u>		<u>14,131</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	16	14,484		13,995	
. Restricted income fund	16	335		443	
. Pension reserve	16	(2,236)		(900)	
Total restricted funds			<u>12,583</u>		<u>13,538</u>
Unrestricted income funds	16		<u>683</u>		<u>593</u>
Total funds			<u>13,266</u>		<u>14,131</u>

The financial statements on pages 28-55 were approved by the trustees, and authorised for issue on 18 December 2019 and are signed on their behalf by:


Martyn Jones
 Trustee

The Mast Academy Trust

Statement of Cash Flows for the year ended 31 August 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	26	594
Cash flows from investing activities	20	46	(52)
Change in cash and cash equivalents in the reporting period		<u>72</u>	<u>542</u>
Cash and cash equivalents at 1 September 2018		1,566	1,024
Cash and cash equivalents at the 31 August 2019	21	<u>1,638</u>	<u>1,566</u>

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Mast Academy Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

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

- **Grants**

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

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

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

1 Statement of Accounting Policies (continued)

Income (continued)

- **Grants (continued)**

Capital grants are recognised in full 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. Capital grants are recognised in full when there is entitlement and they are not deferred over the life of the asset on which they are expended.

- **Sponsorship Income**

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

- **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 due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Expenditure

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

- **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.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

1 Statement of Accounting Policies (continued)

Intangible Fixed Assets

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

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software over the length of the software licence

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
- Long leasehold land over the length of the lease
- Fixtures, fittings and equipment 5 years
- ICT hardware 3 years
- Motor Vehicles 5 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.

Liabilities

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

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

1 Statement of Accounting Policies (continued)

Provisions

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

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

Leased Assets

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

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.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or any other financial instrument.

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

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 and the assets are held separately from those of the academy trust.

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 23, 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.

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 and Skills Funding Agency.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

1 Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgement (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 23 will impact the carrying amount of the pensions liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Devolved Formula Capital Grants	-	102	102	35
Other Capital Grants	-	656	656	147
	<u>-</u>	<u>758</u>	<u>758</u>	<u>182</u>

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
DfE / EFA grants				
. General Annual Grant (GAG)	-	5,689	5,689	5,664
. Other DfE/EFA grants	-	492	492	407
	<u>-</u>	<u>6,180</u>	<u>6,180</u>	<u>6,071</u>
Other Government grants				
. Local authority grants	-	114	114	135
	<u>-</u>	<u>114</u>	<u>114</u>	<u>135</u>
Other income from the academy trust's educational operations	137	509	646	827
	<u>137</u>	<u>6,803</u>	<u>6,940</u>	<u>7,033</u>

4 Other Trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Hire of facilities	11	-	11	11
Uniform income	5	-	5	5
Other income	26	-	26	32
	<u>43</u>	<u>-</u>	<u>43</u>	<u>48</u>

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

6 Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2019	2018
	£000	£000	£000	£000	£000
Expenditure on raising funds					
Academy's educational operations:					
. Direct costs	4,638	212	628	5,478	5,096
. Allocated support costs	750	293	717	1,760	1,592
Teaching school					
. Direct costs	-	-	225	225	387
. Allocated support costs	70	-	64	134	75
	<u>5,457</u>	<u>505</u>	<u>1,635</u>	<u>7,597</u>	<u>7,150</u>

Net income/(expenditure) for the period includes:

	2019	2018
	£000	£000
Operating lease rentals	14	13
Depreciation	270	283
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	17	9
Fees payable to auditor for:		
- audit	17	15
- other services	4	3
	<u>4</u>	<u>3</u>

7 Charitable Activities

	Total	Total
	2019	2018
	£000	£000
Direct costs – educational operations	5,478	4,709
Support costs – educational operations	1,760	1,979
	<u>7,238</u>	<u>6,688</u>

Analysis of support costs

	Educational	Total	Total
	operations	2019	2018
	£000	£000	£000
Support staff costs	750	750	621
Technology costs	82	82	82
Premises costs	293	293	356
Other support costs	616	616	890
Governance costs	19	19	29
Total support costs	<u>1,760</u>	<u>1,760</u>	<u>1,978</u>

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

8 Staff

a. Staff costs

Staff costs during the period were:

	Total	Total
	2019	2018
	£000	£000
Wages and salaries	4,196	3,935
Social security costs	389	368
Operating costs of defined benefit pension schemes	693	653
	5,279	4,956
Supply staff costs	148	131
Staff restructuring costs	30	-
Other staff costs	-	-
	5,457	5,087
Staff restructuring costs comprise:		
Redundancy payments	2	-
Severance payments	28	-
	30	-

b. Non-contractual staff severance payments

Included in staff restructuring costs is one non-contractual severance payments totalling £27,532.

c. Staff numbers

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

	2019	2018
	No.	No.
Teachers	70	70
Administration and support	118	104
Management	15	14
	203	188

d. Higher paid staff

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

	2019	2018
	No.	No.
£60,001 - £70,000	3	0
£70,001 - £80,000	2	3
£80,001 - £90,000	1	0

e. Key management personnel

The key management personnel of the academy trust comprise of the Trustees and Senior Leadership Team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £378,404. 2017/18 (£436,942)

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

9 Related Party Transactions - Trustees' Remuneration and Expenses

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

Debra Knowles (Chief Executive Officer and Staff Trustee)

Remuneration £75,000 - £80,000

Employer's pension contributions paid £10,000 - £15,000

The Chief Executive Officer only receives remuneration in respect of services provided undertaking the roles of Headteacher and staff member under their contract of employment. There are no remuneration contributions to report. No travel and subsistence expenses have been made to Trustees or the Headteacher (staff Trustee).

10 Trustees' and Officers' Insurance

The Academy Trust has opted in to the Risk Protection Arrangement offered by the Government as an alternative to commercial insurance. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2019 was £27,400 (2017/18: £27,160) This is the total cost of the RPA scheme for the Trust.

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

11 Intangible Fixed Assets

	Computer Software	Total
Cost	£000	£000
At 1 September 2018	39	39
Additions	24	24
At 31 August 2019	<u>63</u>	<u>63</u>
Amortisation		
At 1 September 2018	9	9
Charged in year	17	17
At 31 August 2019	<u>27</u>	<u>27</u>
Carrying amount		
At 31 August 2018	28	28
At 31 August 2019	<u>36</u>	<u>36</u>

12 Tangible Fixed Assets

	Leasehold Land and Buildings	Furniture and Equipment	Computer Hardware	Motor Vehicles	Total
Cost	£000	£000	£000	£000	£000
At 1 September 2018	14,160	121	75	15	14,371
Additions	640	17	33	-	689
Disposals	-	-	-	-	-
At 31 August 2019	<u>14,800</u>	<u>138</u>	<u>108</u>	<u>15</u>	<u>15,060</u>
Depreciation					
At 1 September 2018	365	24	17	10	416
Charged in year	212	27	26	5	270
Disposals	-	-	-	-	-
At 31 August 2019	<u>577</u>	<u>51</u>	<u>43</u>	<u>15</u>	<u>686</u>
Net book values					
At 1 September 2018	13,795	97	58	5	13,955
At 31 August 2019	<u>14,223</u>	<u>87</u>	<u>65</u>	<u>-</u>	<u>14,375</u>

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

13 Debtors

	2019	2018
	£000	£000
Trade debtors	12	5
VAT recoverable	149	61
Prepayments and accrued income	447	183
	<u>607</u>	<u>249</u>

14 Creditors: Amounts Falling due within one year

	2019	2018
	£000	£000
Trade creditors	571	127
Other taxation and social security	100	99
Other creditors	103	98
Accruals and deferred income	329	379
	<u>1,104</u>	<u>703</u>

Deferred income

	2019	2018
	£000	£000
Deferred income at 1 September 2018	92	82
Released from previous years	(92)	(82)
Resources deferred in the year	127	92
Deferred Income at 31 August 2019	<u>127</u>	<u>92</u>

At the Balance sheet date the Trust was holding deferred income relating to Universal Infant Free School Meals (£30k), Rates relief (£8k), trip income (£87k) and club income (£2k).

15 Creditors: Amounts Falling due in greater than one year

	2019	2018
	£000	£000
Other Creditors	50	65
	<u>50</u>	<u>65</u>

The Mast Academy Trust has been awarded 2 Salix loans for LED lighting as described in the schools below. One loan relates to Kirkburton Middle School and the other to Scissett Middle School. The details of the loan are as below. The loans are interest free and are repaid over the estimated period of payback for the savings in electricity charges from the installation of the new lighting. The work relating to both loans was completed in 2016/17 and agreements for repayments of the full amounts have been signed off.

Kirkburton Middle School

Loan amount	44,531
Payment of loan	9,542
Amounts falling due within 1 year	6,362
Amounts falling due in greater than 1 year	28,627

Scissett Middle School

Loan amount	43,705
Payment of loan	13,112
Amounts falling due within 1 year	8,741
Amounts falling due in greater than 1 year	21,852

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

16 Funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	336	5,689	(5,779)	-	246
Pupil Premium	-	245	(245)	-	(0)
Capital expenditure from GAG	(135)	-	-	(18)	(153)
Other grants	242	870	(870)	-	242
Pension reserve	(900)	-	(325)	(1,011)	(2,236)
	(457)	6,803	(7,218)	(1,029)	(1,901)
Restricted fixed asset funds					
Transfer on conversion	14,068	-	-	-	14,068
DFE/EFA capital grants	(208)	758	(287)	-	263
Capital expenditure from GAG	135	-	-	18	153
	13,995	758	(287)	18	14,484
Total restricted funds	13,538	7,561	(7,505)	(1,011)	12,583
Total unrestricted funds	593	181	(92)	-	683
Total funds	14,131	7,743	(7,597)	(1,011)	13,266

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

Restricted General Fund

This fund has arisen from funds provided by the Government and Local Authority and it is to be used for educational purposes as agreed in the objects of the organisation and with the Secretary of State. The Academy Trust is not subject to a limit on what it can carry forward at 31st August 2019. The deficit on the Local Government Pension fund amounted to £(2.236)m. This will continue to be monitored by the Trust in association with the West Yorkshire Pension Fund.

Restricted Fixed Asset fund

This fund has arisen from capital funding from the Government and assets donated by the Local Authority. It is to be used for educational purposes as agreed by the Secretary of State and in accordance with the Trust's objects. Any transfer of funds into this fund from other funds are to ensure that assets held at each academy are fully funded according to the commitments that each academy has made to purchasing assets classified under this fund.

Unrestricted fund

The surplus has arisen from activities from generating funds and transfers from Local Authority of funds surplus at the time of conversion to academy status.

The trust has a surplus against Restricted and Unrestricted General Funds (excluding Pensions Reserves) of £683k (unrestricted) + £335k (restricted general) = £1,018k. £163k of this fund is accounted for by the teaching school, leaving a surplus available of £855k for the Mast Academy Trust.

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

16 Funds (continued)

Comparative information in respect of the preceeding period is as follows:

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	14	5,664	(5,342)	-	336
Pupil Premium	-	217	(217)	-	0
Other grants	242	965	(965)	-	242
Capital Expenditure From GAG	(84)	-	-	(51)	(135)
Pension reserve	(1,070)	-	(205)	375	(900)
	<u>(898)</u>	<u>6,846</u>	<u>(6,729)</u>	<u>324</u>	<u>(457)</u>
Restricted fixed asset funds					
Transfer on conversion	14,068	-	-	-	14,068
DfE/EFA capital grants	(98)	182	(292)	-	(208)
Capital expenditure from GAG	84	-	-	51	135
	<u>14,054</u>	<u>182</u>	<u>(292)</u>	<u>51</u>	<u>13,995</u>
Total restricted funds	<u>13,156</u>	<u>7,028</u>	<u>(7,021)</u>	<u>375</u>	<u>13,538</u>
Total unrestricted funds	<u>485</u>	<u>237</u>	<u>(129)</u>	<u>-</u>	<u>593</u>
Total funds	<u>13,641</u>	<u>7,265</u>	<u>(7,150)</u>	<u>375</u>	<u>14,131</u>

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	Total 2019 £000	Total 2018 £000
Birdsedge First School	67	76
Kirkburton Middle School	184	193
Scissett Middle School	271	237
Shelley First School (including teaching school £163k (2018:£273k))	438	509
Central services	58	21
Total before fixed assets and pension reserve	<u>1,018</u>	<u>1,036</u>
Restricted fixed asset fund	14,484	13,995
Pension reserve	(2,236)	(900)
Total	<u>13,266</u>	<u>14,131</u>

Analysis of academies by cost

Revenue expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs £000	Total 2019 £000	Total 2018 £000
Birdsedge First School	305	43	17	92	457	437
Kirkburton Middle School	1,711	214	238	299	2,461	2,342
Scissett Middle School	1,972	282	231	353	2,838	2,590
Shelley First School (inc WYTA)	581	175	67	439	1,263	1,276
Central services	68	106	-	(175)	(1)	60
Academy Trust	<u>4,637</u>	<u>820</u>	<u>553</u>	<u>1,009</u>	<u>7,018</u>	<u>6,705</u>

Academy expenditure excludes expenditure on pension scheme expenditure not recognised in employee or employer contributions. Central services recover costs through the Trust service charge leading to the cost reduction in other costs.

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

17 Analysis of Net Assets between Funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	36	36
Tangible fixed assets	-	-	14,375	14,375
Current assets	683	1,438	124	2,246
Current liabilities	-	(1,104)	-	(1,104)
Non-current liabilities	-	-	(50)	(50)
Pension scheme liability	-	(2,236)	-	(2,236)
Total net assets	683	(1,902)	14,485	13,267

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

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	28	28
Tangible fixed assets	-	-	13,955	13,955
Current assets	593	1,146	77	1,816
Current liabilities	-	(703)	-	(703)
Non-current liabilities	-	-	(65)	(65)
Pension scheme liability	-	(900)	-	(900)
Total net assets	593	(457)	13,995	14,131

18 Commitments under operating leases

Operating Leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£000	£000
Amounts due within one year	12	14
Amounts due between one and five years	18	27
Amounts due after five years	-	-
	30	41

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

19 Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities	2019	2018
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	146	115
Adjusted for:		
Amortisation (note 11)	17	9
Depreciation charges (note 12)	270	283
Capital grants from DfE and other capital income	(758)	(182)
Interest receivable (note 5)	(1)	(1)
Defined benefit pension scheme obligation inherited	-	-
Defined benefit pension scheme cost less contributions payable (note 23)	303	181
Defined benefit pension scheme finance cost (note 23)	22	24
(Increase)/decrease in debtors	(358)	74
Increase/(decrease) in creditors	385	91
Transfer on conversion	-	-
Net cash provided by / (used in) Operating Activities	26	594
20 Cash Flows from Investing Activities	2019	2018
	£000	£000
Dividends, interest and rents from investments	1	1
Purchase of intangible fixed assets	(24)	(32)
Purchase of tangible fixed assets	(689)	(203)
Capital grants from DfE/ESFA	758	182
Net cash provided by / (used in) investing activities	46	(52)
21 Analysis cash and cash equivalents	At 31 August	At 31 August
	2019	2018
	£000	£000
Cash in hand and at bank	1,638	1,566
Total cash and cash equivalents	1,638	1,566

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

22 Members' Liability

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

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

23 Pension and Similar Obligations

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

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

Contributions amounting to £88,034 were payable to the schemes at 31 August 2019 (2017/18: £82,131) 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £477,318 (2018: £457,071).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

23 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 Aug 2019 was £287k (2017/18: £259k), of which employers contributions totalled £215k (2017/18 £193k) and employees' contributions totalled £72k (2017/18 £66k). The agreed contribution rates for future years are 17.9 per cent for employers and 9.0 per cent for employees.

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

Principal Actuarial Assumptions	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.35%	3.35%
Rate of increase for pensions in payment/inflation	2.10%	2.10%
Discount rate for scheme liabilities	1.80%	2.80%
Inflation assumption (CPI)	2.10%	2.10%
Commutation of pensions to lump sums	2.10%	2.10%

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

	At 31 August 2019 years	At 31 August 2018 years
<i>Retiring today</i>		
Males	22.2	22.1
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	23.2	23.1
Females	27.2	27.1

Sensitivity analysis	2019 £000	2018 £000
Discount rate +1%	125	94
Discount rate -1%	(127)	(96)
Mortality assumption +1 year	(227)	(151)
Mortality assumption -1 year	230	151
Pension increase rate +0.1%	(79)	(63)
Pension increase rate -0.1%	80	62
Salary increase assumption +0.1%	(47)	(32)
Salary increase assumption -0.1%	47	32

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

23 Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2019 £000's	Fair value at 31 August 2018 £000's
Equity instruments - equities	3,552	2,832
Cash	87	83
Other	50	178
Debt instruments - other bonds	206	133
Government bonds	481	410
Property	201	159
Total market value of assets	4,577	3,795

The actual return on scheme assets was £577,000 (2017/18: £168,000).

Amounts recognised in the statement of financial activities

	2019 £000	2018 £000
Current service cost (net of employee contributions)	389	374
Past Service cost	129	-
Net interest cost	24	24
Total amounts recognised in the SOFA	542	398

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

	2019 £'000	2018 £'000
At 1 September	4,695	4,607
Current service cost	389	374
Interest cost	131	114
Employee contributions	72	66
Actuarial (gain)/loss	1,479	(297)
Benefits paid	(82)	(169)
Past Service cost	129	-
At 31 August	6,813	4,695

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Notes to the Financial Statements for the period ended 31 August 2019 (continued)

23 Pension and Similar Obligations (continued) Local Government Pension Scheme (continued)

Changes in the fair value of academy's share of scheme assets:

	2019	2018
	£'000	£'000
At 1 September	3,795	3,537
Interest income	109	90
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	468	78
Employer contributions	215	193
Employee contributions	72	66
Benefits paid	(82)	(169)
Administration expenses	-	-
At 31 August	4,577	3,795

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

24 Related Party Transactions

The Mast Academy Trust has entered into a related party transaction with Liz Godman who has provided educational consultancy services for the Trust. This service amounted to £900 across the Trust for the 2018/19 financial year (nil 2017/18). During the course of the year Liz Godman accepted the role of Trustee and became a related party in this period, having previously worked as an independent supplier. Trustees' remuneration and expenses are disclosed in note 9.

25 Teaching School

	2018/19 £000	2018/19 £000	2018/19 £000	2017/18 £000	2017/18 £000	2017/18 £000
Income						
Direct Income						
Funds transferred in		-			-	
Core Grant		23			40	
Maths and Physics grants		-			9	
SSIF Grant		147			422	
Bradford opportunity grant		19			-	
Other Income						
Initial Teacher Training		40			87	
Other school support		20			12	
Total Income			249			570
Expenditure						
Direct costs						
Core grant expenditure	7			44		
Physics grant expenditure	-			6		
SSIF grant expenditure	213			270		
Other grant expenditure	-			67		
Bradford opportunity area	5			-		
Other costs						
Support staff costs	70			74		
Initial Teacher Training	22			-		
Other school support	13			-		
Total other costs	29			1		
Total Expenditure			359			462
Surplus/(Deficit) from all sources			(110)			108
Teaching school balances at 1 September 2018 / 1 September 2017			273			165
Teaching school balances at 31 August 2019 / 31 August 2018			163			273

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

26 Central Services

The Trust provides the following Central Services:

- Strategic management and planning
- School improvement support and co-ordination
- Finance support and central accounting
- Governance services and clerking across the Trust
- Employment law and legal advice services
- Health and Safety system guidance
- HR advice
- GDPR compliance services

The Trust charges for these services on the following basis:

- a fee of 4.0% based on General Annual Grant income

The actual amounts charged in the year were as follows:

	2019	2018
	£000	£000
Birdsedge First School	16	10
Kirkburton Middle School	85	52
Scissett Middle School	97	59
Shelley First School	30	19
	228	140

The Mast Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

27 Comparative information

FRS102 and the SORP require that comparative information must be provided for all amounts presented in the SOFA, including the split between different classes of funds. The trust has opted to present this comparative information by replicating the 2018 SOFA as below.

Statement of Financial Activities for the year ended 31 August 2018 (including Income and Expenditure Account)

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2018
	£000	£000	£000	£000
Income and endowments from:				
Donations and capital grants	-	-	182	182
Transfer from local authority on conversion	-	-	-	-
Charitable activities:				
Funding for the academy trust's educational operations	89	6,375	-	6,464
Teaching school	99	471	-	570
Other trading activities	48	-	-	48
Investments	1	-	-	1
Total	237	6,846	182	7,265
Expenditure on:				
Charitable activities:				
Academy trust educational operations	62	6,334	292	6,688
Teaching School	67	395	-	462
Total	129	6,729	292	7,150
Net income / (expenditure)	108	117	(110)	115
Transfers between funds	-	(51)	51	-
Other recognised gains / (losses):				
Actuarial (losses) / gains on defined benefit pension schemes	-	375	-	375
Net movement in funds	108	441	(59)	490
Reconciliation of funds				
Total funds brought forward	485	(898)	14,054	13,641
Total funds carried forward	593	(457)	13,995	14,131