

THE MAST ACADEMY TRUST
(A Company Limited by Guarantee)

Annual Report and Financial Statements
For the period of 2 September 2016 to 31 August 2017

Company Registration Number:
10357163 (England and Wales)

THE MAST ACADEMY TRUST

Contents

	Page
Reference and Administrative Details	3
Trustees' Report	4
Governance Statement	11
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report on the Financial Statements	17
Independent Reporting Accountant's Report on Regularity	20
Statement of Financial Activities incorporating Income & Expenditure Account	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	25
Other Notes to the Financial Statements	31

THE MAST ACADEMY TRUST

Reference and Administrative Details

Members	Chris Pickavance Sue Lord Carole McDermott Peter Laurence Martyn Jones
Trustees	Martyn Jones, appointed 2 nd Sep 2016 Dr Andrew Williams, appointed 2 nd Sep 2016 Helen Carr, appointed 2 nd Sep 2016 (resigned 21 st Nov 2017) Graham Smith, appointed 2 nd Sep 2016 Anthony Wilkinson, appointed 6 th Sep 2016 Claire Grainger, appointed 2 nd Sep 2016 Rosamund Roughton, appointed 2 nd Sep 2016 Glen Wilson, appointed 6 th Sep 2016 Debra Knowles, appointed 30 th Nov 2016 Helen Jones, appointed 14 th Jan 2017 Angela Grimshaw appointed 14 th Mar 2017
Company Secretary	Schofield Sweeney Church Bank House Church Bank Bradford BD1 4DY
Senior Management Team:	
Chief Executive Officer and Headteacher Shelley First School	Debra Knowles
Finance Director	Jason Field
Headteacher Birdsedge First School	John Simmons
Headteacher Kirkburton Middle School	Gary Johnson
Headteacher Scissett Middle School	Natasha Greenough
Company Name	The Mast Academy Trust
Company Address	Scissett Middle School Wakefield Road Scissett West Yorkshire HD8 9JX
Company Number	10357164 (England and Wales)
Independent Auditor	Mazars LLP Mazards House Gelderd Road Gildersome Leeds LS27 7JN
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 period 2 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates four academies for pupils in reception to year 8 serving a catchment area in the Huddersfield area of Kirklees Council. It has a pupil capacity of around 1,400 and had a roll of 1,371 in the school census on October 2017.

The schools that have converted to academy status (as of 1st December 2016) are Birdsedge First School, Kirkburton Middle School, Scissett Middle School and Shelley First School.

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 Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Mast Academy Trust.

Details of the trustees who served during the year 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.

Directors and governors indemnity insurance provisions are described in note 9 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

Trustees for the Mast Academy Trust represent a mix of people from our local community and appointees from the academy ambassadors programme. These have been appointed by the members in line with the articles of association and represent a range of skills drawn from various different disciplines that will support the educational achievement of the Trust as well as its organisational infrastructure.

A number of trustees have been drawn from the Local Governing Body community at our schools to ensure that the dialogue between the Trust and the individual schools is strong and continues to identify potential new talent that may become the trustee body of the future.

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

On the inception of the Trust, an event was held (30th November 2016) for Governors and Trustees to identify key responsibilities for the Governance of a multi-academy trust. This was attended by the Trust's professional advisors as well as key management personnel and gave an in depth insight into the governance of a Multi-Academy Trust.

Further training is tailored to the needs of new trustees and governors, with the Chief Executive officers running sessions as needed as well as the Trust purchasing a package of training sessions for trustees and governors to attend. All our trustees are familiar with the requirements of the Governance Handbook.

Further work is being undertaken by the chairs and vice-chairs of the local governing bodies to ensure that all trustees and governors are suitably inducted and fully understand the responsibilities of their position in the Trust.

Organisational Structure

The Mast Academy Trust operates under a clear scheme of delegation that recognises the Board of Trustees has ultimate accountability to the Secretary of State for the performance of the Trust. This includes powers to make strategic decisions regarding the future direction of the Trust and key decisions around educational strategy and improvement, health and safety, safeguarding, human resources, procurement, recruitment, finance and assets, amongst other things.

The Board of Trustees delegates some powers to sub-committees (notably audit) and link trustees (in areas including educational standards, finance, safeguarding and human resources) in order to ensure that business is conducted effectively and allows decisions to be taken both with the appropriate level of scrutiny and pace.

Each school has a local governing body that is guided by a terms of reference document and benefits from powers delegated to them in the scheme of delegation. The members of these governing bodies are drawn from local communities and have parent governors in line with the articles of association ensuring that there is balanced support and challenge at each school and there is capacity to support the ongoing improvement in each educational environment.

Both the Board and the Local Governing Bodies benefit from a professional clerking service procured at the expense of the Trust, ensuring that procedural support is given to all these bodies. They meet at least 3 times a year.

Further powers are delegated to the Chief Executive Officer and headteachers in order to ensure that the day to day operation of each school is effective and flexible whilst being open to scrutiny.

The scheme of delegation, given the age of the Trust, is reviewed as a standing item at each Board of Trustees meeting to ensure that it is effective and operating as intended.

Arrangements for setting pay and remuneration of key management personnel

The Trust sets pay for its senior staff in line with the scheme of delegation for the Trust. The remuneration of the Chief Executive and the Finance Director is agreed by the Board of Trustees and reviewed on at least an annual basis at Board Meetings.

Other members of the leadership team 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.

All teachers benefit from the terms and conditions contained in the teachers' standard pay and conditions document.

THE MAST ACADEMY TRUST

Trustees' Report (continued)

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.

Over the course of the year, the funding for this teaching school has transferred to Shelley First School as it has become 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.

Objectives and Activities

Objects and Aims

The Mast Academy Trust wants to support everyone to be the change they wish to see in the world. We understand that this is not about grand gestures, it is about helping individuals. Through a constant drive to enrich and develop our people, we can create a group of schools capable of achieving this goal. We will remember this in everything we do, everything we say, every action we take, everything we promote. By keeping this focus, we aim to be an influential contributor to the world of education and an example to others.

Objectives, Strategies and Activities

The Mast Academy Trust was established in December 2016 to build upon strong, existing partnerships around the pupils and families in our locality through Academy status. The Trust currently comprises of four good and outstanding schools across the 4-13 years age range. We are a collaborative Trust, with all leaders supporting the development of Mast within the context of an Executive Leadership Team. Working strategically together, within our Pyramid of schools and with other services, we aim to transform provision and outcomes for pupils and their families.

Alongside its improvement work in its current member academies, the Trust plans to work actively with other schools and the Regional Schools Commissioner (RSC) to grow its family of academies once established. This will facilitate enhanced system-led improvements, opportunities for collaboration between leaders and staff within the organisation and better economies of scale as required in the challenging educational climate.

Over time, Mast will provide an opportunity for schools to convert to academy status. So, how is Mast different? We encourage schools to join us over time if they wish to:

- Remain individual in that they thrive in their own context and in line with their own vision and values;
- Work with us in partnership in order to secure better outcomes for pupils;
- Join a truly collaborative Trust that has capacity to support school improvement pertinent to school needs;
- Access services to support financial effectiveness;
- Access services to support improvements to teaching and learning
- Expect a flexible and individual approach so that support is tailored to needs;
- Access opportunities for close partnership working with the local authority, RSC and local teaching schools, so that academy needs come first.

THE MAST ACADEMY TRUST

Trustees' Report (continued)

Public Benefit

The Mast Academy Trust has the serving of the public benefit at its core. The Trust benefits our local community by striving to provide excellent educational opportunities for our young people. The Trust also engages with the wider community through local governing bodies and with parents and others benefitting the children and the communities that they serve.

We are constantly striving to improve and expand the benefit that we can provide within the objects of our charitable status by using the funding we are given for this purpose.

Strategic Report

Achievements and Performance

The Trust has achieved a great deal in its first period of operation that will support its strength and growth over the periods to come.

All of our schools are currently rated good or outstanding by Ofsted with no inspections taking place in this period.

As a Trust, we have now established a data collection cycle – in October and May in 2017/18, leading to termly collection points thereafter. The two education trustees have been involved in discussions with head teachers about data, following lines of enquiry and challenging regarding attainment and progress. Peer reviews have been carried out with a focus upon self-evaluation, school improvement, leadership and management, teaching and learning and safeguarding. Outcomes from the reviews, alongside data will support the Trust in utilising our strengths and resources to plan for school to school support.

When considering national benchmarks, the Trusts is in a strong position with regards to Early Years, Y1 Phonics Screen and end of Key Stage 1. Any issues in the data have been identified with resource allocated. This is being monitored with notes of visit to support impact evidence. Middle school data shows strong progress by end of Year 8. However, despite an improving picture in Year 6 data, progress from Key Stage 1 to 2 remains a priority. Year 6 outcomes show that both schools are at least in-line with National outcomes, with figures above in Reading and Writing. SPAG is at national and Maths is below at Kirkburton Middle. A focus will be for high attaining pupils based upon Key Stage 1 outcomes and for disadvantaged learners. Work across our local Pyramid of schools will also support this agenda.

Our governance structures are fully in place and meeting regularly with a lot of emphasis on developing links between the Trust and the local governing bodies to ensure that these relationships grow and strengthen as the Trust develops. Over the coming period further collaboration and training is planned between Trustees / Governors and senior leaders to ensure communication is strengthened further.

Financial and operational compliance measures such as the Financial Management and Governance Self-Assessment has been completed within the timescales required as well other Financial returns including the Budget Forecast Return and Land and Buildings Valuation. All schools are in surplus both cumulatively and in this period of operation showing strong financial discipline. It must be emphasised that this has not hampered the ability of the Trust to invest with key educational projects around improvement of maths standards being undertaken alongside the improvement of the environment for staff and students alike with LED lighting installed at Scissett and Kirkburton and additional classroom space at Scissett.

Key Performance Indicators

The Mast Academy Trust has established, in its first 9 months of operation, a number of key Strategic goals against which it is building a strategic direction as well as tracking performance over the coming periods.

THE MAST ACADEMY TRUST

Trustees' Report (continued)

The Key Areas of our plan are:

Outcomes

- The Trust has a strong focus on the outcomes of all of our children across both Primary and Middle schools.
- A number of milestones and success criteria have been set in order to ensure that progress is being made by pupils and that this is above national levels by 2018 as well as all teaching across the Trust being effective.
- The Trust has also set the target for all schools to be judged good or better through peer reviews with colleagues and trustees. This will ensure that all schools in the Trust are maintaining high standards in between visits from Ofsted.

School Improvement

- Establishing peer review programmes between schools, with the support of key Trustees, to ensure that best practice is shared and that consistently excellent delivery of education is in place.
- To establish joint practice across the Trust and also to share this with the pyramid of schools within the local area.
- To form self-evaluation standards for each school that are consistent and ensure good practice in each school
- To have a wider moderation practice across our local pyramid of schools, ensuring that standards and transition between schools is effective and improves the education journey of the children

Leadership

- The Trust is putting measures in place to ensure that the appropriate capacity and capability is in place for Leadership in the Trust, for the current structure and any growth in the future that may be envisaged.
- This will include governance and ensuring that training for governors and trustees is supported as well as having an appropriate mix of skills across the Trust. A chairs and vice-chairs group has now been established in the Trust to share best practice.
- Over the coming periods the Trust will build leadership programmes for both the senior and middle leadership teams in the Trust to ensure we have the capacity to lead the educational agenda in our area and add value to our community.
- The Trust will continue to build links with teaching schools in order to ensure that all leaders are benefiting from Continuing Professional Development as the educational environment changes.

Operations

- The Trust has a number of success factors and milestones in place to ensure that the infrastructure to support the Trust is in place. This is across a range of functions including IT, finance, marketing, HR, procurement and health and safety.
- There is additionally a focus on finance ensuring that the Trust has sustainable resources to flourish and grow over the coming periods.
- Key changes in legislation, such as Global Data Protection Regulation are also considered in order to ensure compliance against a range of areas is supported.

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 Mast Academy Trust is in its first year of operation and as such reports its financial affairs in the context have converted from Local Authority control on 1 December 2016. This is some time after the actual incorporation of the Trust on 2 September 2016 but represents the date at which all gifted assets were donated to the Trust.

The income position of the Trust is affected by large figures related to the transfer of property and other assets as well as cash transferred to the Trust from reserves that were carried over from grant maintained status.

When these factors are stripped away the Trust has still had a successful first period of operation financially with free reserves from the general restricted and unrestricted funds amounting to a total of £656k, with all academies having surplus funds with regards to these funds.

Our key source of funding is from the General Annual Grant provided by the Government and this amounted to £4.245m in the first period of operation.

Reserves Policy

The Trust has a policy that guides the Trust to have a free reserve level set a 3-5% of General Annual Grant income. This has been surpassed in this year and is under review with regard to the principal risks and uncertainties referred to below. The Trust believes that at this time it is sensible to keep additional free reserves given the prospect of real terms inflationary pressures in the educational sector.

The level of free reserves is made up of the restricted general fund (excluding pension reserve) and unrestricted funds. At this year-end this stood at £485k (unrestricted general fund) + £172k (restricted general fund) = £657k.

Further details of our funds and their use can be found in note 15 of the financial statements.

Investment Policy

The Academy Trust has made the decision in its first period of operation to ensure that risk is minimised and as such have only kept cash as short term deposits in its bank accounts. This policy will be reviewed as the Trust develops in order to make decisions that balance the need to invest and create additional income with the need for low risk and protection of funds that are given for educational purposes.

Principal Risks and Uncertainties

The Trust is facing a number of risks and uncertainties the principal of which are:

- The progress of the students within the Trust is of utmost concern. With all of our schools currently good or better it is absolutely vital that we respond to the ongoing challenges of modern education. The Trust educates children across the reception to year 8 range and has particular challenges with regard to the transition from Primary to Middle school after year 5. The Trust will continue to support an integrated approach to student progress across our local pyramid of schools.
- Continued uncertainty with regard to our financial funding environment. Despite the proposed introduction of the National Funding Formula there remain a number of uncertainties around how this will be applied at local authority level for the years ahead and further uncertainty about the direction of public sector pay settlements. This will be monitored extremely closely over the coming periods to ensure sustainable finances are maintained throughout the Trust.
- The shape of and integration with the educational pyramid in the local area. The Trust recognises it has a wider role to play in leader the local educational community. This means that a significant amount of resource needs to be allocated to supporting this wider community positively and for the good of the children in the area. The Trust is seeking support with the demands that this brings and ensuring that the Trust has the capacity to support this way of working in our community that is so important to us.

THE MAST ACADEMY TRUST

Trustees' Report (continued)

- Significant new legislation that will affect the organisation of the schools' resources and communications. Alongside the renewing of policies with regard to the statutory requirements of the Trust, this year sees the significant reshaping of data regulations in the form of the Global Data Protection Regulations. It is crucial that the Trust directs the appropriate amount of resource at putting policies in place that keeps the Trust at the forefront of legislative compliance.

Plans for Future Periods

The Trust is focussed on delivering the additionality that working as a Trust should bring to all the schools in the Trust. This will mean using our resources most effectively to deliver improvements in educational performance in all of our schools and becoming a trusted partner to whom the local pyramid of school looks for advice on school improvement development.

The leadership team, both with regard to executives and trustees and governors, is now meeting regularly to review the performance of the Trust. This will increasingly be underpinned by consistent data across the Trust and consistent and rigorous responses to issues guided by expertise drawn from across the Trust.

The Trust continues to look at its existing schools to ensure that financial sustainability is core to its model, with all schools being able to deliver excellent opportunity and education to children whilst working within defined budgets.

This will in turn lead to growing our capacity as a Trust to deliver enhanced outcomes for children and considering the potential for sharing this capacity with other schools in a proximate geographical area that would benefit from joining or working with the Trust.

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 5 December 2017 and signed on the board's behalf by:



Martyn Jones
Trustee

Date: 20/12/17.

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 Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
<u>Board Meetings</u>		
Martyn Jones	5	5
Andy Williams	3	5
Graham Smith	4	5
Helen Carr	4	5
Claire Grainger	4	5
Glen Wilson	4	5
Anthony Wilkinson	4	5
Rosamund Roughton	4	5
Helen Jones	3	3
Angela Grimshaw	1	2
Debra Knowles	3	3
<u>Audit</u>		
Helen Carr	1	1
Glen Wilson	2	2
Rosamund Roughton	2	2

- No Trustees have resigned during the course of the year
- A formal audit committee has been established to manage risk and ensure that controls are in place for the Trust. This committee is chaired by Glen Wilson, with Rosamund Roughton and Debra Knowles as members.
- Trustees with educational experience have been involving in advising on educational standards and helping to organise 'spotlight' days for our school to evaluate performance.
- Further 'link' Trustees have been appointed across key areas including Finance, HR and Marketing in order to ensure that there is rigour and support in these areas
- Governors have also been given specific responsibilities for areas as outlined in the Governance handbook with relation to other areas such as Safeguarding, Health and Safety and Special Educational Needs.
- The board has conducted its business effectively with the support of a professional clerking service to support it with procedural matters. A review of the effectiveness of the Board is now underway led by the Chair, Martyn Jones.
- The Board receives regular reports from the Chief Executive Officer and the Finance Director with relation to the performance of the Trust and has requested presentations to satisfy itself that action against key areas of risk are being managed appropriately by the Trust.

THE MAST ACADEMY TRUST

Governance Statement (continued)

The audit committee is also a sub-committee of the main board of trustees. Its purpose is to:

- Review the operation of the system of Internal Controls in the Mast Academy Trust and ensure actions are in place to improve their effectiveness. This is supported by the receipt of an Internal Audit report supplied by Mazars.
- To maintain a risk register regarding key risks at the academy and ensure that key risks are being mitigated with appropriate action by the executive team and others.

Trustee	Meetings attended	Out of a possible
Helen Carr	1	1
Glen Wilson	2	2
Rosamund Roughton	2	2

The Trustees will undergo further development and self-assessment during the course of 2017-18 to ensure that this relatively new Board is operating effectively and in line with best practice.

Review of Value for Money

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

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

- Conducting a review of services required from the Local Authority, as part of the conversion process, to assess the viability of these services. A number of services, including human resources support and insurance have been sourced differently on conversion.
- Encouraging collaboration between schools and using expertise of support staff across the Trust. This has been particularly successful in areas such as IT provision, where the schools are now served by one internal IT team and a single outsourced provider giving expertise, as opposed to 3 providers and one single school based team before conversion.
- School Business Managers and the Finance Director have also reviewed a number of contracts collaboratively meaning that services, such as photocopying, print and mailing services and grounds maintenance, amongst other things, have been procured more effectively for the schools. The sharing of supplier information has also been collated in a 'Directory of Services' that has reinforced a culture of obtaining competitive quotes before purchase.
- Kirkburton and Scissett Middle Schools have also been successful in securing and utilising an interest free loan through the Government backed Salix loan scheme to replace all lighting with new LED equivalents both reducing carbon emissions and reducing the cost of electricity for the schools in the long term.
- The improved effectiveness of staff coverage in schools has also meant that the cost of additional non-permanent staffing has decreased and the students benefit from having more regular contact with the same permanent teaching staff.

This process of reviewing value for money will continue throughout the Trust and a procurement strategy is being developed to ensure that some of the key infrastructure services will be reviewed in terms of their appropriateness and effectiveness. This will include all non-staff provision and will focus on the largest opportunities to create value for money given the resource available in the Trust.

THE MAST ACADEMY TRUST

Governance Statement (continued)

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 2 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 2 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance link trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

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

- to appoint Mazars as internal auditor. They are tasked to conduct an annual audit report on financial controls that is delivered to the audit committee of the Trust
- that the Finance Director collate a risk register to identify and manage risks within the Trust

THE MAST ACADEMY TRUST

Governance Statement (continued)

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: trusts should determine the scope of their checks based on a consideration of the relative risks.

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of financial, planning and reporting systems

On an annual basis, Mazars the auditor report 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. The first annual report has not identified any significant risk in the above systems and all recommendations made have been replied to and actioned by the Trust.

On a termly basis, The Finance Director reports to the audit committee on the key risks identified and how these are being mitigated through actions by the Trust

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 financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of trustees on 5 December 2017 and signed on its behalf by:



Martyn Jones
Trustee



Debra Knowles
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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



Debra Knowles
Accounting Officer

Date: 19-12-17

THE MAST ACADEMY TRUST

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] 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 5 December 2017 and signed on its behalf by:



Martyn Jones
Chair of the Board of Trustees

Date: 20/12/17

THE MAST ACADEMY TRUST

Independent auditor's report to the Trustees of The Mast Multi Academy Trust

We have audited the financial statements of The MAST Multi Academy Trust ("the 'trust'") for the period ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 2016 to 2017 issued by the Education and 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) and Charities SORP 2015.

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual 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

THE MAST ACADEMY TRUST

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

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' Annual Report including the incorporated strategic report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report including the incorporated strategic report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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 specific 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 16, the Trustees 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

THE MAST ACADEMY TRUST

Independent auditor's report to the Trustees of The MAST Multi 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

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.



Shaun Mullins (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Mazars LLP
Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

20.12.2017

THE MAST ACADEMY TRUST

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

In accordance with the terms of our engagement letter dated 23 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The MAST Multi Academy Trust during the period 2 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The MAST Multi 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 Multi 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 Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The MAST Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The MAST Multi 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 2 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and concluded on procedures carried out.

THE MAST ACADEMY TRUST

Independent Reporting Accountant's Assurance Report on Regularity to the Governing Body of The MAST Multi Academy Trust and the Education and Skills Funding Agency (Contd)

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 2 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Shaun Mullins

Mazars LLP

Date: 20.12.2017

THE MAST ACADEMY TRUST

Statement of Financial Activities for the period ended 31 August 2017 (including Income and Expenditure Account)

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000
Income and endowments from:	Note				
Donations and capital grants	2			35	35
Transfer from local authority on conversion	25	375	(916)	14,070	13,528
Charitable activities:					
Funding for the academy trust's educational operations	3	37	4,718		4,755
Teaching school		114	106		220
Other trading activities	4	22			22
Total		548	3,908	14,105	18,560
Expenditure on:					
Charitable activities:					
Academy trust educational operations	6	63	4,638	134	4,835
Teaching School			55		55
Total		63	4,693	134	4,890
Net income		485	(786)	13,971	13,670
Transfers between funds	15		(84)	84	
Other recognised (losses):					
Actuarial (losses) on defined benefit pension schemes	15,22		(29)		(29)
Net movement in funds		485	(898)	14,055	13,641
Reconciliation of funds					
Total funds brought forward					
Total funds carried forward		485	(898)	14,055	13,641

THE MAST ACADEMY TRUST

Balance Sheet as at 31 August 2017

Company Number 10357163

	Note	2017 £000	2017 £000
Fixed assets			
Intangible assets	10		5
Tangible assets	11		14,035
Current assets			
Debtors	12	324	
Cash at bank and in hand		<u>1,024</u>	
		1,348	
Liabilities			
Creditors: Amounts falling due within one year	13	<u>(596)</u>	
Net current assets			<u>752</u>
Total assets less current liabilities			14,792
Creditors: Amounts falling due after more than one year	14		<u>(80)</u>
Net assets excluding pension liability			<u>14,712</u>
Defined benefit pension scheme liability	22		<u>(1,070)</u>
Total assets			<u>13,642</u>
Funds of the academy trust:			
Restricted funds			
. Fixed asset fund	15	14,055	
. Restricted income fund	15	172	
. Pension reserve	15	<u>(1,070)</u>	
Total restricted funds			13,157
Unrestricted income funds	15		<u>485</u>
Total funds			<u>13,642</u>

The financial statements on pages 22-49 were approved by the trustees, and authorised for issue on 5 December 2017 and are signed on their behalf by:



Martyn Jones
Trustee

THE MAST ACADEMY TRUST

	Note	2017 £000
Cash flows from operating activities	18	
Net cash provided by operating activities		719
Cash Transferred on conversion		411
Cash flows from investing activities	19	(106)
Change in cash and cash equivalents in the reporting period		1,024
Cash and cash equivalents at 2 September 2016		-
Cash and cash equivalents at the 31 August 2017	20	1,024

THE MAST ACADEMY TRUST

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

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 2014 to 2015 issued by EFA, 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.

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

Sponsorship Income

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

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

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'.

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in 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 2017 (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

According to the length of the 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/reducing balance] basis over its expected useful life, as follows:

Long leasehold buildings	50 years
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.

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.

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

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

Financial Instruments

The academy trust only holds basic financial instruments as defined in 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 and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Leased Assets

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

Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

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.

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 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

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/Department for Education.

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 circumstance.

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2015. 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 2017 (continued)

Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below. The assets and liabilities transferred on conversion from Kirklees Council to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Valuations have been taken on Land & Buildings and Other Fixed Assets and accounted for in the appropriate categories as per the accounting policies and pension and other assets and liabilities transferred as appropriate. Further details of the transaction are set out in note 15 and 22.

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000
Capital Grants	-	35	35
	-	35	35

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000
DfE / EFA grants			
. General Annual Grant (GAG)	-	4,245	4,245
. Other DfE/EFA grants	-	252	252
	-	4,497	4,497
Other Government grants			
. Local authority grants	-	85	85
	-	85	85
Other income from the academy trust's educational operations	37	135	172
	37	4,718	4,755

4 Other Trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000
Hire of facilities	11	-	11
Uniform income	4		4
Other income	8		8
	23	-	23

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

5 Expenditure

	Staff Costs	Non Pay Expenditure		Total
		Premises	Other	2017
	£000	£000	£000	£000
Expenditure on raising funds	-	-	-	-
Academy's educational operations:				
Direct costs	3,277	121	265	3,663
Allocated support costs	513	242	417	1,172
Teaching School	22	-	33	55
	<u>3,812</u>	<u>363</u>	<u>715</u>	<u>4,890</u>

Net income/(expenditure) for the period includes:

	2017
	£000
Operating lease rentals	8
Depreciation	133
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	1
Fees payable to auditor for:	
- audit	16
- other services	-
	<u>-</u>

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

6 Charitable Activities

	Total 2017 £000
Direct costs – educational operations	3,663
Support costs – educational operations	1,172
	<u>4,835</u>

Analysis of support costs	Boarding £000	Educational operations £000	Total 2017 £000
Support staff costs	-	513	513
Depreciation	-	-	-
Technology costs	-	45	45
Premises costs	-	242	242
Other support costs	-	345	345
Governance cost	-	27	27
Total support costs	<u>-</u>	<u>1,172</u>	<u>1,172</u>

7 Staff

a. Staff costs

Staff costs during the period were:	Total 2017 £000
Wages and salaries	2,943
Social security costs	279
Operating costs of defined benefit pension schemes	495
	<u>3,717</u>
Supply staff costs	96
Staff restructuring costs	-
Other staff costs	-
	<u>3,813</u>
Staff restructuring costs comprise:	
Redundancy payments	-
Severance payments	-
Other restructuring costs	-
	<u>-</u>

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

7 Staff (continued)

b. Staff numbers

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

	2017 No.
Teachers	65
Administration and support	102
Management	13
	<hr/>
	180

c 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 £283,319

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

8 Related Party Transactions - Trustees' Remuneration and Expenses

One trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The principal only receives remuneration in respect of services she provides undertaking the roles of principal under her contract of employment.

Debra Knowles (Chief Executive Officer and Staff Trustee)

Remuneration £55,000 - £60,000

Employer's pension contributions paid £5,000 - £10,000

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

9 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 2017 was £20,298 (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 2017 (Continued)

10 Intangible Fixed Assets

	Computer Software £000	Total £000
Cost		
At 2 September 2016	-	-
Additions	6	6
At 31 August 2017	6	6
Amortisation		
At 2 September 2016	-	-
Charged in year	1	1
At 31 August 2017	1	1
Carrying amount		
At 31 August 2017	5	5

11 Tangible Fixed Assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost						
At 2 September 2016	-	-	-	-	-	-
Transferred at 1 Dec 2016	-	14,005	-	13	15	14,033
Additions	-	15	114	6	-	135
Disposals	-	-	-	-	-	-
At 31 August 2017	-	14,020	114	19	15	14,168
Depreciation						
At 2 September 2016	-	-	-	-	-	-
Charged in year	-	121	-	7	5	133
At 31 August 2017	-	121	-	7	5	133
Net book values						
At 2 September 2016	-	-	-	-	-	-
At 31 August 2017	-	13,899	114	12	10	14,035

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

12 Debtors

	2017
	£000
Trade debtors	10
VAT recoverable	100
Other debtors	45
Prepayments and accrued income	169
	<u>324</u>

13 Creditors: Amounts Falling due within one year

	2017
	£000
Trade creditors	252
Other taxation and social security	92
EFA creditor: abatement of GAG	-
Other creditors	89
Accruals and deferred income	163
	<u>596</u>

Deferred income

	2017
	£000
Deferred income at 1 September 2016	-
Released from previous years	-
Resources deferred in the year	82
Deferred Income at 31 August 2017	<u>82</u>

At the Balance sheet date the Trust was holding deferred income relating to Universal Infant Free School Meals, Rates relief claimed and trip income

14 Creditors: Amounts Falling due in greater than one year

	2017
	£000
Other creditors	80
	<u>80</u>

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

14 Creditors: Amounts Falling due in greater than one year (continued)

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 has been 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	
Amounts falling due within 1 year	3,180
Amounts falling due in greater than 1 year	41,351
Scissett Middle School	
Loan amount	43,705
Payment of loan	
Amounts falling due within 1 year	4,370
Amounts falling due in greater than 1 year	39,335

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

15 Funds

	Balance at 2 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	-	4,245	(4,231)	-	14
Pupil Premium	-	136	(136)	-	0
Other grants	-	442	(200)	-	242
Capital Expenditure From GAG				(84)	(84)
Pension reserve	-	(916)	(125)	(29)	(1,070)
	-	3,907	(4,692)	(113)	(898)
Restricted fixed asset funds					
Transfer on conversion	-	14,069	-	-	14,069
DfE/EFA capital grants	-	36	(134)	-	(98)
Capital expenditure from GAG	-	-	-	84	84
	-	14,105	(134)	84	14,055
Total restricted funds	-	18,012	(4,826)	(29)	13,157
Total unrestricted funds	-	548	(63)	-	485
Total funds	-	18,560	(4,889)	(29)	13,642

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 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 2017. The deficit on the Local Government Pension fund amounted to £(1.070)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 object. 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 transfer

The trust has a surplus against Restricted and Unrestricted General Funds (excluding Pensions Reserves) of £485k (unrestricted) + £172k (restricted general) = £657k

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

15 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000
Birdsedge First School	44
Kirkburton Middle School	134
Scissett Middle School	149
Shelley First School (including teaching school)	280
Central services	50
Total before fixed assets and pension reserve	<u>657</u>
Restricted fixed asset fund	14,055
Pension reserve	<u>(1,070)</u>
Total	<u>13,642</u>

Analysis of academies by cost

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 2017 £000
Birdsedge First School	210	39	10	55	314
Kirkburton Middle School	1,250	117	103	173	1,643
Scissett Middle School	1,367	216	109	167	1,860
Shelley First School	419	90	29	132	670
Central services	34	71	-	40	144
Academy Trust	<u>3,279</u>	<u>533</u>	<u>252</u>	<u>567</u>	<u>4,631</u>

Academy expenditure excludes expenditure on depreciation and pension scheme expenditure not recognised in employee or employer contributions

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

16 Analysis of Net Assets between Funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	5	5
Tangible fixed assets	-	-	14,035	14,035
Current assets	485	768	95	1,348
Current liabilities	-	(596)	-	(596)
Non-current liabilities	-	-	(80)	(80)
Pension scheme liability	-	(1,070)	-	(1,070)
Total net assets	485	(898)	14,055	13,642

17 Commitments under operating leases

Operating Leases

At 31 August 2017 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2017 £000
Amounts due within one year	10
Amounts due between one and five years	28
Amounts due after five years	-
	38

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

18 Reconciliation of Net Income/(expenditure) to

Net Cash Flow from Operating Activities

	2017
	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	13,671
Adjusted for:	
Amortisation (note 10)	1
Depreciation charges (note 11)	133
Capital grants from DfE and other capital income	(35)
Defined benefit pension scheme obligation inherited	916
Defined benefit pension scheme cost less contributions payable (note 22)	107
Defined benefit pension scheme finance cost (note 22)	18
(Increase) in debtors	(324)
Increase in creditors	676
Transfer on conversion	(14,033)
Net cash provided by Operating Activities	1,130

19 Cash Flows from Investing Activities

	2017
	£000
Purchase of intangible fixed assets	(6)
Purchase of tangible fixed assets	(135)
Capital grants from DfE/EFA	36
Net cash (used in) investing activities	(106)

20 Analysis cash and cash equivalents

	At 31 August
	2017
	£000
Cash in hand and at bank	1,024
Total cash and cash equivalents	1,024

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

21 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.

22 Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South 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 2013.

Contributions amounting to £82,139 were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:"

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

- 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%.

During the year the employer contribution rate was 14.1% The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £349,555.

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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 2017 (continued)

22 Pension and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2017 was £188k, of which employer's contributions totalled £142k and employees' contributions totalled £46k. 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.

As described in note 22 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Principal Actuarial Assumptions

At 31 August
2017

Rate of increase in salaries	3.35%
Rate of increase for pensions in payment/inflation	2.10%
Discount rate for scheme liabilities	2.50%
Inflation assumption (CPI)	2.10%
Commutation of pensions to lump sums	2.10%

The current mortality assumptions include sufficient allowance for future improvements in mortality

At 31 August
2017

Retiring today

Males	22.1
Females	25.2

Retiring in 20 years

Males	23.0
Females	27.0

THE MAST ACADEMY TRUST

22 Pension and Similar Obligations (continued)

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

	Fair value at 31 August 2017 £000
Equity instruments - equities	77.1
Cash	1.5
Other	3.4
Debt instruments - other bonds	3.9
Government bonds	9.6
Property	4.5
Total market value of assets	100.0

The actual return on scheme assets was £413,000.

Amounts recognised in the statement of financial activities

	2017 £000
Current service cost (net of employee contributions)	249
Net interest cost	18
Total operating charge	267

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

	2017 £'000
At 2 September	
Upon conversion	3,856
Current service cost	249
Interest cost	84
Employee contributions	46
Actuarial (gain)/loss	376
Benefits paid	(4)
Plan introductions, benefit changes, curtailments and settlements	
At 31 August	4,607

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

	2017 £'000
At 2 September	2,940
Upon conversion	-
Interest income	66
Actuarial gain/(loss)	347
Employer contributions	142
Employee contributions	46
Benefits paid	(4)
Plan introductions, benefit changes, curtailments and settlements	
Administration expenses	-
At 31 August	3,537

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

23 Related Party Transactions

No related party transactions took place in the period of account, including trustees' remuneration and expenses already disclosed in note 8.

24 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

The Trust charges for these services on the following basis:

- a fee of 2.5% based on General Annual Grant income

The actual amounts charged in the year were as follows:

	2017
	£000
Birdsedge First School	7
Kirkburton Middle School	39
Scissett Middle School	45
Shelley First School	14
	<hr/>
	105

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

25 Conversion to an Academy Trust

On the 1st December 2016 Birdsedge First School, Kirkburton Middle School, Scissett Middle School and Shelley First School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The MAST Multi Academy Trust from the Kirklees Metropolitan Borough Council Local Authority for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA. LGPS is not broken down by academy as this is dealt with as a Trust given all schools converted on the same date and are part of the same pension fund (West Yorkshire Pension Fund)

All conversions

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
. Freehold land and buildings	-	-	-	-
. Leasehold land and buildings	-	-	14,005	14,005
. Other tangible fixed assets	-	-	28	28
Budget surplus on LA funds	201	-	36	237
Budget surplus on other school funds	174	-	-	174
LGPS pension (deficit)	-	(916)	-	(916)
Net [assets / liabilities]	375	(916)	14,069	13,528

Birdsedge First School

Tangible fixed assets				
. Leasehold land and buildings	-	-	770	770
Budget surplus on LA funds	28	-	6	34
Budget surplus on other school funds	5	-	-	5
Net assets	33	-	776	809

THE MAST ACADEMY TRUST

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

25 Conversion to an Academy Trust

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Kirkburton Middle School				
Tangible fixed assets				
· Leasehold land and buildings	-	-	5,075	5,075
· Other tangible fixed assets	-	-	15	15
Budget surplus on LA funds	28	-	20	48
Budget surplus on other school funds	45	-	-	45
Net assets	73	-	5,110	5,183
Scissett Middle School				
Tangible fixed assets				
· Leasehold land and buildings	-	-	5,810	5,810
· Other tangible fixed assets	-	-	13	13
Budget surplus on LA funds	78	-	10	88
Budget surplus on other school funds	68	-	-	68
Net assets	146	-	5,833	5,979
Shelley First School School				
Tangible fixed assets				
· Leasehold land and buildings	-	-	2,350	2,350
Budget surplus on LA funds	67	-	-	67
Budget surplus on other school funds	56	-	-	56
Net assets	123	-	2,350	2,473

