



Chartered Accountants
Local Matters, National Strength.

Annual Report and Financial Statements Matrix Academy Trust

For the Year Ended 31 August 2014

Company Registration Number: 07654219

Matrix Academy Trust

For the Year Ended 31 August 2014

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Matrix Academy Trust

Reference and Administrative Details

For the Year Ended 31 August 2014

Members (and Trustees)	Mr J Bench Mr S Smith Dame Maureen Brennan	(Chairman) (Executive Headteacher & Accounting Officer)
Trustees	Cllr M Bird Mrs R Duncombe Mr K Hoey Mr D Lowbridge Ms D Park	(resigned 1 February 2014) (resigned 1 February 2014) (resigned 1 February 2014) (staff trustee)
Company Secretary	Mr C Berry	
Leadership Team	Dame Maureen Brennan	Executive Headteacher & Accounting Officer
Senior Management Team:	Miss L Clarke Mrs L Drakeley Mrs S Derham Mr P Kilvert Mr D Lowbridge Miss R Beards Mrs C Harper Mr A Turner Mr J Mitchell Mr I Chamberlain Miss L Lloyd Mrs K Hibbs Mr J Till Mr G Sanghera Mr C Turner Mrs K Brooks Mrs J Sharkey Mr Paul Bowen Mrs R Wilkinson Ms H Jones Mr M Howes Mr K Jones Mrs A Heilbronn	(retired 1 September 2013) (appointed 1 September 2013) (appointed 4 November 2013) (appointed 1 September 2013) (appointed 1 February 2014) (resigned 31 August 2014) (appointed 1 February 2014) (appointed 1 February 2014) (resigned 31 August 2014) (appointed 1 February 2014) (appointed 1 February 2014) (appointed 1 February 2014) (appointed 1 May 2014) (appointed 1 May 2014) (appointed 1 June 2014)
Principal and Registered Office	Barr Beacon School Old Hall Lane Aldridge Walsall West Midlands WS9 0RF	
Company Registration Number	07654219 (England & Wales)	

Matrix Academy Trust

Reference and Administrative Details

For the Year Ended 31 August 2014

Independent Auditor

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

Bankers

Lloyds Bank
595 Kingstanding Rd
Birmingham
B44 9TB

Solicitors

Browne Jacobson
Victoria Square House
Victoria Square
Birmingham
B2 4BU

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2014

The Trustees of Matrix Academy Trust present their annual report together with their financial statements and auditor's report of the charitable company for the year ended 31 August 2014. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

Matrix Academy Trust operates 2 secondary academies in the West Midlands. Its academies have a combined pupil capacity of 2487 and had a roll of 2368 in the school census on January 2014.

Structure, Governance and Management

Constitution

Matrix Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

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

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

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

The trustees of Matrix Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Matrix Academy Trust (company number 07654219).

Details of the trustees who served during the year are included in the Reference and Administrative Details on Page 1.

Members' Liability

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

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2014

Trustees' Indemnity

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

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

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

Method of Recruiting and Appointment or Election of Trustees

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

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

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

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

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

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

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

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2014

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

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

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

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

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

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

To this end the Board of Trustees maintains an agreement with Walsall MBC - Trustees Support for Trustee access training. This agreement allows for any or all of the members of the Board of Trustees to attend any of the training courses provided by Walsall MBC - Trustees Support.

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

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2014

Organisational Structure

Matrix Academy Trust is a Multi Academy Trust with two independent schools forming that Trust, Barr Beacon School and Etone College

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

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

Connected Organisations including Related Party Relationships

Matrix Academy Trust has strong connections with local universities, from whom we receive trainee teachers and there is a strong commitment to the National College of Teaching & Leadership Programmes. The School Direct partnership completed its second year with the University of Worcester with 10 colleagues completing the programme leaving with good or outstanding features. Matrix Academy Trust works in partnership with Hibernia College UK at both Etone College and Barr Beacon School.

Barr Beacon School also provided a total of 164 School Experience Placement Days.

Matrix Academy Trust offered support to a number of schools in the form of visiting Barr Beacon School to view good practice.

Objectives and Activities

Objects and Aims

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

The main objectives of the Trust for the year ended 31 August 2014 are summarised as follows:-

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

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2014

Objectives Strategies and Activities

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

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

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

Equity & Diversity Policy

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

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

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

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

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

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

Public Benefit

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

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2014

Strategic Report

Achievements and Performance

In the year leading up to 31 August 2014 the following was achieved by Matrix Academy Trust:-

- Pupil behavior is good
- Literacy is promoted well across the curriculum
- Teachers have good subject knowledge
- Matrix Academy Trust has a shared system for monitoring and evaluating the quality of teaching in the trust
- Staff work collaboratively at both sites to ensure that good practice is shared across all schools in Matrix Academy Trust

Barr Beacon School

- Barr Beacon School was recognised as Outstanding in all four categories by Ofsted in January 2014
- Pupils are making rapid and sustained progress in all subjects
- The progress of disadvantaged pupils is rapidly approaching those of non-disadvantaged
- The presence of governors from Barr Beacon School has greatly enhanced the effectiveness of the Etone College's governing body

Etone College

- Since Etone College joined Matrix Academy Trust the rate of improvement has accelerated impressively
- Leadership and management of teaching are much improved
- The interim governing body is contributing positively to improving the academy
- The strong link with Barr Beacon School through Matrix Academy Trust has helped accelerate improvement

Key Financial Performance Indicators

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

Going Concern

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

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2014

Financial Review

The combined Restricted General Fund and Unrestricted Fund show net incoming resources, before the actuarial losses on defined benefit pension schemes of £15,702,049 (2013: £974,084) (page 21). This operating surplus is the result of detailed and tight budgeting and budget control procedures which have been firmly embedded in the trust's daily financial management, this figure also includes the transfer of Etone College's assets and liabilities.

The majority of the Trust's income is obtained from the Department for Education (DfE) in the form of recurrent grants. The grants received from the DfE during the year ended 31 August 2014 and the associated expenditure are shown in the statement of financial activities.

Matrix Academy Trust received total income of £26,884,230 (2013: £8,664,180), of which £10,176,413 (2013: £7,371,151) was received from the DfE through the General Annual Grant (GAG). Other income generated totalled £16,707,817 (2013: £1,293,029) and was made through income streams such as, other grant income, hire of facilities, student teacher programmes, catering income, capital income and the transfer of Etone College's assets and liabilities.

The Trust was also awarded £176,019 from the Academies Capital Maintenance Fund during the year ended 31 August 2014, to which the replacement of old windows at Etone College was replaced.

As indicated above Matrix Academy Trust generates income through the hire of facilities and services through its Leisure Centre. For the year ended 31 August 2014 this income totalled £106,607 (2013: £116,434).

In the year ended 31 August 2014 there was a total expenditure of £11,182,181 (2013: £7,690,096) (note 7). Staff salaries accounted for the majority of funds expended, which totalled £6,256,974 (2013: £4,542,147) (note 10).

Matrix Academy Trust's support staff of the schools within the Trust are entitled to membership of their respective Local Government Pension Scheme: - the share of the deficit in the West Midlands Pension Fund apportioned to Barr Beacon School has been assessed at £1,139,000 (2013: £1,208,000); and the share of the deficit in the Warwickshire County Council Pension Fund apportioned to Etone College has been assessed at £1,312,000.

In the year ended 31 August 2014 £1,000,001 of the academies surplus balance was invested in our Virgin Savings Account.

The updating of and management of the asset register (note 13) shows that we have total fixed assets at cost or valuation of £27,631,375 (2013: £11,220,137), including land and buildings with a value of £25,355,588 (2013: £9,995,434). Depreciation charges for the year total £750,882 (2013: £352,936), which is calculated on the straight line depreciation method. Total net book value of assets for the year ended 31 August 2014 is £24,997,883 (2013: £10,280,263).

As defined in the Funding Agreement Articles of Association, no Trustee is employed by or receives any remuneration from the Academy Trust other than the Executive Headteacher and the elected Staff Trustee. As defined, this clause only allows such a Trustee to receive remuneration or benefit from Matrix Academy Trust in his/her capacity as an employee of the Academy Trust.

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2014

Financial Review (continued)

As such the Executive Headteacher (Ex-Officio Trustee) and Deputy Headteacher (Staff Trustee) receive remuneration for their roles as members of school staff only; they are not remunerated for any duties performed as Trustees of the school. Their annual salaries as at 31 August 2014 for their roles as members of staff are as follows:

	Salary Scale	Salary Range
Executive Headteacher	L37 - L43	£130,000 - £135,000 (Including honorarium)
Deputy Headteacher	L21	£60,000 - £65,000

Reserves & Investments Policy

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

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

Within the year ended 31 August 2014 Matrix Academy Trust received £20,695 interest on investments.

Financial and Risk Management Objectives and Policies

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

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

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

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

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2014

Risk Management

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

The Trustees have implemented a number of systems to assess risks that the trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff) and internal financial controls in order to eliminate risk.

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

Statement on the System of Internal Financial Control

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

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

The trust's system of internal financial control is based on a framework of regular management information and procedures including the segregation of duties and a system of delegation and accountability.

In particular, it includes:-

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Board of Trustees which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- delegation of authority and segregation of duties
- identification and management of risks

Principal Risks and Uncertainty

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

Matrix Academy Trust

Trustees' Report

For the Year Ended 31 August 2014

Plans for Future Periods

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

- Continue to raise achievement for all pupils in Key Stage 3, 4 and 5.
- Continue the drive to have outstanding schools within the Trust.
- Expand the Multi Academy Trust
- Work towards Teaching School status and develop a powerful alliance
- Commence the first part of the Strategic Buildings Masterplan
- Continue to recruit and maintain outstanding teaching and support staff

Funds held as Custodian Trustee on behalf of others

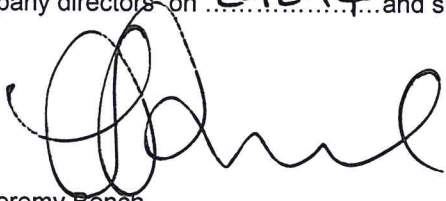
There are no funds held as Custodian Trustee on behalf of others.

Auditor

Insofar as the Trustees are aware:-

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

Trustees' report incorporating a strategic report, approved by order of the Board of Trustees, as the company directors on 2-12-14 and signed on the board's behalf by:



Mr Jeremy Bench
Chair of Trustees

Matrix Academy Trust

Governance Statement

For the Year Ended 31 August 2014

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Bench (Chairman)	7	7
Cllr M Bird (resigned 1 February 2014)	2	4
Dame M Brennan (Headteacher and Accounting Officer)	7	7
Mrs R Duncombe (resigned 1 February 2014)	4	4
Mr K Hoey	6	7
Mr D Lowbridge (Staff Trustee) (resigned 1 February 2014)	4	4
Ms D Park	7	7
Mr S Smith	7	7

During the year ended 31 August 2014 there have been 3 changes to the composition of the Board of Trustees. Cllr M Bird, Mrs R Duncombe and Mr D Lowbridge all resigning as trustees on 1 February 2014.

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Matrix Academy Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Matrix Academy Trust

Governance Statement (*continued*)

For the Year Ended 31 August 2014

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed HCSS Ltd, the external auditor, to perform additional checks. The Responsible Officers (RO's) role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

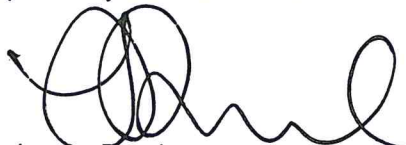
Review of Effectiveness

As accounting officer, the Executive Headteacher 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 Responsible Officer;
- 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 Board of Trustees and a plan to address weakness and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 2-12-14.....and signed on its behalf by:



Mr Jeremy Bench
Chair of Trustees



Dame Maureen Brennan
Accounting Officer

Matrix Academy Trust

Statement on Regularity, Propriety and Compliance

For the Year Ended 31 August 2014

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

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

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



Dame Maureen Brennan
Accounting Officer

Matrix Academy Trust

Statement of Trustees' Responsibilities

For the Year Ended 31 August 2014

The Trustees (who act as governors of Matrix Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education 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:

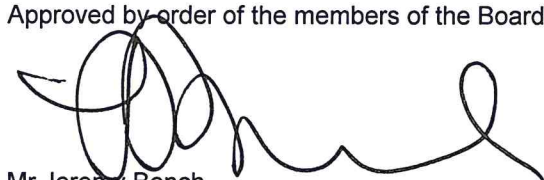
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been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

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

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

The 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 2-12-14 and signed on its behalf by:



Mr Jeremy Bench
Chair of Trustees

Matrix Academy Trust

Independent Auditor's Report to the Members of Matrix Academy Trust

Year Ended 31 August 2014

We have audited the financial statements of Matrix Academy Trust for the year ended 31 August 2014 which comprises the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2014, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Matrix Academy Trust

Independent Auditor's Report to the Members of Matrix Academy Trust *(continued)*

Year Ended 31 August 2014

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- 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 trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Henry Briggs
Senior Statutory Auditor

For and on behalf of Haines Watts Birmingham LLP
Chartered Accountants and Statutory Auditor
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

18 December 2014

Matrix Academy Trust

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

Year Ended 31 August 2014

In accordance with the terms of our engagement letter dated 11 March 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Matrix Academy Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Matrix Academy Trust funding agreement with the Secretary of State for Education dated 5 July 2011 and the Academies Financial Handbook, extant from 1 September 2013 (updated October 2013), 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Matrix Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Matrix Academy Trust and Education Funding Agency *(continued)*

Year Ended 31 August 2014

The work undertaken to draw our conclusion includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal procedures for establishing and maintain systems of control and documentation regarding these matters

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Henry Briggs
Reporting Accountant

For and on behalf of Haines Watts Birmingham LLP
Chartered Accountants and Statutory Auditor
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

18 December 2014

Matrix Academy Trust

Statement of Financial Activities for the year ended 31 August 2014

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Year Ended 31.08.14 £	Year Ended to 31.08.13 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	3	-	-	12,865	12,865	-
Transfer from Etone College	28	384,407	(289,777)	15,196,973	15,291,603	-
Activities for generating funds	4	488,356	323,761	-	812,117	604,556
Investment income	5	20,695	-	-	20,695	11,842
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy Trust's educational operations	6	-	10,570,931	176,019	10,746,950	8,047,782
Total incoming resources		893,458	10,604,915	15,385,857	26,884,230	8,664,180
Resources expended						
<i>Cost of generating funds:</i>						
Costs of activities for generating funds	7	736,953	245,129	-	982,082	515,151
<i>Charitable activities:</i>						
Academy Trust educational operations	8	-	9,361,274	738,549	10,099,823	7,107,732
Governance costs	9	-	100,276	-	100,276	67,213
Total resources expended	7	736,953	9,706,679	738,549	11,182,181	7,690,096
Net incoming resources before transfers		156,505	898,236	14,647,308	15,702,049	974,084
Gross transfers between funds	16	-	(70,312)	70,312	-	-
Net income for the year		156,505	827,924	14,717,620	15,702,049	974,084
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	16, 26	-	(263,000)	-	(263,000)	21,000
Net movement in funds		156,505	564,924	14,717,620	15,439,049	995,084
Reconciliation of funds						
Funds brought forward at 1 September 2013	16	130,791	464,140	10,280,263	10,875,194	9,880,110
Funds carried forward at 31 August 2014		287,296	1,029,064	24,997,883	26,314,243	10,875,194

During the above financial year, the Trust's activities derive from both continuing operations and the acquisition of Etone College on 1 February 2014.

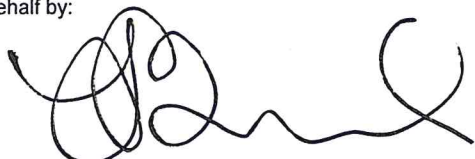
A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Matrix Academy Trust

Balance Sheet as at 31 August 2014

	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	13		24,997,883		10,280,263
Current assets					
Debtors	14	270,660		102,685	
Cash at bank and in hand		<u>4,422,936</u>		<u>2,087,997</u>	
		4,693,596		2,190,682	
Creditors: Amounts falling due within one year	15	<u>(926,236)</u>		<u>(387,751)</u>	
Net current assets			<u>3,767,360</u>		<u>1,802,931</u>
Total assets less current liabilities			28,765,243		12,083,194
Net assets excluding pension liability					
Pension scheme liability	26		(2,451,000)		(1,208,000)
Net assets including pension liability			<u>26,314,243</u>		<u>10,875,194</u>
Funds of the academy:					
Restricted funds					
Fixed asset fund(s)	16		24,997,883		10,280,263
General fund(s)	16		3,480,064		1,672,140
Pension reserve	16		<u>(2,451,000)</u>		<u>(1,208,000)</u>
Total restricted funds			26,026,947		10,744,403
Unrestricted funds	16		287,296		130,791
Total funds			<u>26,314,243</u>		<u>10,875,194</u>

The financial statements on pages 21 to 37 were approved by the Trustees and authorised for issue on 2-12-14 and are signed on their behalf by:



Mr Jeremy Bench
Chair of Trustees

Company Limited by Guarantee
Registration Number 07654219

Matrix Academy Trust

Cash Flow Statement for the year ended 31 August 2014

		Year Ended 31.08.14 £	Year Ended to 31.08.13 £
	Note		
Net cash inflow from operating activities	20	1,453,503	1,146,252
Returns on investments and servicing of finance	21	20,695	11,842
Capital expenditure	22	(580,245)	(243,352)
Cash acquired on transfer of Etone College 1 February 2014		1,440,986	-
Increase in cash in the year		2,334,939	914,742
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		2,087,997	1,173,255
Net funds at 31 August 2014	23	4,422,936	2,087,997

Matrix Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

· Grants receivable

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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable 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 on 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 is certainty of receipt and is measurable.

· Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

· Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

· Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Matrix Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting Policies (continued)

· Charitable activities

These are costs incurred on the academy trust's educational operations.

· Governance Costs

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

All resources expended are inclusive of irrecoverable VAT.

Transfer of Etone College to the Multi Academy Trust

On 1 February 2014, Etone College, an existing single academy trust, joined the Matrix Academy Trust. All of the operations and assets and liabilities of Etone College were transferred to Matrix Academy Trust for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities were transferred at their book value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in voluntary income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds as appropriate. Further details of the transaction are set out in note 28.

Tangible Fixed Assets

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

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

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

Freehold buildings	50 years straight line basis
Fixtures, fittings and equipment	3 years straight line basis
Computer equipment	3 years straight line basis
Motor vehicles	3 years straight line basis

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

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

Leased Assets

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

Taxation

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

Matrix Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other 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 at the discretion of the trustees.

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

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

2 General Annual Grant (GAG)

In October 2013 the Secretary of State varied the relevant clause of the academy trust's Funding Agreement to allow a discretionary carry forward of surplus GAG funding with effect from financial year 2013/14.

3 Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Year Ended 31.08.14 £	Year Ended 31.08.13 £
Other income - Voluntary donations and Insurance	-	12,865	12,865	-
	-	12,865	12,865	-

4 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Year Ended 31.08.14 £	Year Ended 31.08.13 £
Hire of facilities	106,607	-	106,607	116,434
Catering income	270,291	73,427	343,718	280,714
School fund income	-	246,418	246,418	144,036
Other income	111,458	3,916	115,374	63,372
	488,356	323,761	812,117	604,556

Matrix Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Year Ended 31.08.14 £	Year Ended 31.08.13 £
Bank interest received	20,695	-	20,695	11,842
	<u>20,695</u>	<u>-</u>	<u>20,695</u>	<u>11,842</u>

6 Funding for Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Year Ended 31.08.14 £	Year Ended 31.08.13 £
DfE/EFA grants					
General Annual Grant (GAG) (note 2)	-	10,176,413	-	10,176,413	7,371,151
Capital Grants	-	-	176,019	176,019	332,961
Other DfE/EFA grants	-	284,025	-	284,025	116,785
	<u>-</u>	<u>10,460,438</u>	<u>176,019</u>	<u>10,636,457</u>	<u>7,820,897</u>
Other Government grants					
Local authority grants	-	11,997	-	11,997	3,723
Special educational projects	-	98,496	-	98,496	223,162
	<u>-</u>	<u>110,493</u>	<u>-</u>	<u>110,493</u>	<u>226,885</u>
	<u>-</u>	<u>10,570,931</u>	<u>176,019</u>	<u>10,746,950</u>	<u>8,047,782</u>

7 Resources Expended

	Staff Costs £	Non Pay Expenditure		Year Ended 31.08.14 £	Year Ended 31.08.13 £
		Premises £	Other Costs £		
Costs of activities for generating funds:					
Hire of facilities	60,094	354,940	4,815	419,849	133,160
Catering	147,647	-	169,457	317,104	246,437
School fund expenditure	-	-	245,129	245,129	135,554
	<u>207,741</u>	<u>354,940</u>	<u>419,401</u>	<u>982,082</u>	<u>515,151</u>
Academy Trust's educational operations:					
Direct costs	6,578,468	738,549	673,381	7,990,398	5,854,682
Allocated support costs	743,150	441,654	924,621	2,109,425	1,253,050
	<u>7,321,618</u>	<u>1,180,203</u>	<u>1,598,002</u>	<u>10,099,823</u>	<u>7,107,732</u>
Governance costs including allocated support costs	-	-	100,276	100,276	67,213
	<u>7,529,359</u>	<u>1,535,143</u>	<u>2,117,679</u>	<u>11,182,181</u>	<u>7,690,096</u>

	Year Ended 31.08.14 £	Year Ended to 31.08.13 £
Incoming/outgoing resources for the year include:		
Operating leases	35,812	2,311
Fees payable to auditor:		
Audit	6,000	5,750
Other services	-	2,790
(Profit)/loss on disposal of fixed assets	<u>(12,334)</u>	<u>2,754</u>

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately. During the year, the academy incurred compensation payments totalling £17,000 (2013: £Nil). Two of these payments exceeded £5,000 and these were £12,000 and £5,000. The reasons for which are identified as termination payments.

Matrix Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

8 Charitable Activities - Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Year Ended 31.08.14 £	Year Ended 31.08.13 £
Direct costs				
Teaching and educational support staff costs	-	6,578,468	6,578,468	5,058,349
Depreciation	-	738,549	738,549	355,690
Educational supplies	-	216,808	216,808	147,726
Examination fees	-	211,095	211,095	131,124
Staff development	-	9,919	9,919	-
Educational consultancy	-	-	-	-
Teaching resources	-	235,559	235,559	161,793
	-	7,990,398	7,990,398	5,854,682
Allocated support costs				
Support staff costs	-	743,150	743,150	278,942
Recruitment and support	-	116,932	116,932	17,226
Maintenance of premises and equipment	-	178,774	178,774	119,802
Cleaning	-	4,222	4,222	138,595
Rent, rates, heat and light	-	65,785	65,785	172,122
Insurance	-	75,941	75,941	54,919
Security and transport	-	46,246	46,246	41,107
Catering	-	98,518	98,518	50,036
Bank interest and charges	-	22,156	22,156	2,742
Pension service charge and interest costs	-	360,000	360,000	169,000
Teacher First fees	-	1,725	1,725	26,485
INSET fees	-	38,116	38,116	35,898
Reprographics charges	-	93,291	93,291	70,178
Stationery, printing and postage	-	26,838	26,838	50,485
Other support costs	-	237,731	237,731	25,513
	-	2,109,425	2,109,425	1,253,050
	-	10,099,823	10,099,823	7,107,732

9 Governance Costs

	Unrestricted Funds £	Restricted Funds £	Year Ended 31.08.14 £	Year Ended 31.08.13 £
Legal and professional fees	-	94,276	94,276	58,673
Auditor's remuneration:				
· Audit of financial statements	-	6,000	6,000	5,750
· Other audit costs	-	-	-	2,790
	-	100,276	100,276	67,213

Matrix Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

10 Staff Costs

	Year Ended 31.08.14 £	Year Ended to 31.08.13 £
Staff costs during the year were:		
Wages and salaries	6,256,974	4,542,147
Social security costs	470,521	351,847
Pension costs	784,864	632,404
	<u>7,512,359</u>	<u>5,526,398</u>
Supply teacher costs	-	-
Compensation payments	17,000	-
	<u>7,529,359</u>	<u>5,526,398</u>

The average number of persons (including senior management team) employed by the Academy during the year, and the full time equivalents, was as follows:

	2014 Number	2014 F-T Equiv.	2013 Number	2013 F-T Equiv.
Charitable Activities				
Teachers	174	166	95	92
Administration and support	173	116	109	56
Management	24	24	11	11
	<u>371</u>	<u>306</u>	<u>215</u>	<u>159</u>

The number of employees whose emoluments fell within the following bands was:

	2014 Number	2013 Number
£60,001 - £70,000	3	2
£70,001 - £80,000	-	2
£80,000+	3	1
	<u>6</u>	<u>5</u>

The above 6 employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2014 pension contributions for these staff amounted to £60,000.

11 Related Party Transactions - Trustees' Remuneration & Expenses

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

Dame Maureen Brennan (principal and trustee)	£130,000 - £135,000	(2013: £105,000 - £110,000)
Mr D Lowbridge (staff trustee)	£60,000 - £65,000	(2013: £50,000 - £55,000)

During the year ended 31 August 2014, there were no travel and subsistence expenses reimbursed to trustees. Related party transactions involving the trustees are set out in note 27.

12 Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,957 (2013: £1,066).

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

Matrix Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

13 Tangible Fixed Assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost or Valuation					
At 1 September 2013	9,995,434	879,861	304,044	40,798	11,220,137
Transfer from Etone College	14,947,043	369,482	345,983	-	15,662,508
Additions	413,111	50,999	257,239	47,780	769,129
Disposals	-	-	-	(20,399)	(20,399)
At 31 August 2014	25,355,588	1,300,342	907,266	68,179	27,631,375
Depreciation					
At 1 September 2013	333,063	503,474	73,872	29,465	939,874
Transfer from Etone College	735,074	100,945	123,150	-	959,169
Charged in year	325,797	267,582	138,936	18,567	750,882
Disposals	-	-	-	(16,433)	(16,433)
At 31 August 2014	1,393,934	872,001	335,958	31,599	2,633,492
Net book values					
At 31 August 2014	23,961,654	428,341	571,308	36,580	24,997,883
<i>At 31 August 2013</i>	<i>9,662,371</i>	<i>376,387</i>	<i>230,172</i>	<i>11,333</i>	<i>10,280,263</i>

14 Debtors

	2014 £	2013 £
Trade debtors	5,281	3,620
Prepayments and accrued income	98,112	34,279
VAT recoverable	162,100	42,338
Other debtors	5,167	22,448
	270,660	102,685

15 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	266,190	92,828
Other taxation and social security	170,972	102,639
Accruals and deferred income	451,588	192,284
Other creditors	37,486	-
	926,236	387,751

	2014 £	2013 £
Deferred income		
Deferred Income at 1 September 2013	73,032	46,569
Resources deferred in the year	167,371	46,457
Amounts released from previous years	(73,032)	(19,994)
Deferred Income at 31 August 2014	167,371	73,032

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

Pupil Premium £114,634
 Windows and roof replacement £17,128
 Catering £3,406
 School trips £20,665
 Sports Centre £11,537

Matrix Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

16 Funds

	Balance at 01.09.13 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31.08.14 £
Restricted general funds					
General Annual Grant (GAG)	1,104,072	10,176,413	(7,995,969)	176,031	3,460,547
Other DfE/EFA grants	170,553	284,025	(617,025)	162,447	-
Transfer from Local Authority on conversion	370,635	-	(370,635)	-	-
School fund	18,228	246,418	(245,129)	-	19,517
Other general funds	8,652	187,836	(328,921)	132,433	-
Transfer from Etone College	-	(289,777)	-	289,777	-
	1,672,140	10,604,915	(9,557,679)	760,688	3,480,064
Pension reserve	(1,208,000)	-	(149,000)	(1,094,000)	(2,451,000)
Transfer from Etone College	-	(831,000)	-	831,000	-
	464,140	9,773,915	(9,706,679)	497,688	1,029,064
Restricted fixed asset funds					
DfE/EFA capital grants	523,576	176,019	(20,076)	-	679,519
Capital expenditure from GAG	736,638	-	(21,139)	168,324	883,823
Transfer from Local Authority on conversion	9,001,215	-	(696,423)	12,959,583	21,264,375
Other capital funds	18,834	12,865	(911)	2,139,378	2,170,166
Transfer from Etone College	-	15,196,973	-	(15,196,973)	-
	10,280,263	15,385,857	(738,549)	70,312	24,997,883
Total restricted funds	10,744,403	25,159,772	(10,445,228)	568,000	26,026,947
Unrestricted funds					
Generated funds	130,791	509,051	(736,953)	384,407	287,296
Transfer from Etone College	-	384,407	-	(384,407)	-
	130,791	893,458	(736,953)	-	287,296
Total funds	10,875,194	26,053,230	(11,182,181)	568,000	26,314,243

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

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

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

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Analysis of academies of fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total 2014 £	Total 2013 £
Barr Beacon School	2,979,407	1,802,931
Etone College	787,953	-
Central Services	-	-
Total before fixed assets and pension reserve	3,767,360	1,802,931
Restricted fixed asset fund	24,997,883	10,280,263
Pension reserve	(2,451,000)	(1,208,000)
Total	26,314,243	10,875,194

Matrix Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Tangible fixed assets	-	24,997,883	24,997,883	10,280,263
Current assets	287,296	4,406,300	4,693,596	2,190,682
Current liabilities	-	(926,236)	(926,236)	(387,751)
Pension scheme liability	-	(2,451,000)	(2,451,000)	(1,208,000)
Total net assets	287,296	26,026,947	26,314,243	10,875,194

18 Capital commitments

	2014 £	2013 £
Contracted for, but not provided in the financial statements	-	90,000

19 Financial Commitments

Operating leases

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Other		
Expiring within one year	-	-
Expiring within two and five years inclusive	35,812	2,311
Expiring in over five years	-	-
	35,812	2,311

20 Reconciliation of net income to net cash inflow from operating activities

	Year Ended 31.08.14 £	Year Ended 31.08.13 £
Net income	15,702,049	974,084
Funds transferred from Etone College	(15,291,603)	-
Depreciation (note 13)	750,882	352,936
(Profit)/loss on disposal of fixed assets	(12,334)	2,754
Capital grants from DfE and other capital income	(188,884)	(332,961)
Interest receivable (note 5)	(20,695)	(11,842)
FRS 17 pension cost less contributions payable (note 26)	73,000	4,000
FRS 17 pension finance (income)/cost (note 26)	76,000	47,000
(Increase)/decrease in debtors	(167,975)	568,687
Increase/(decrease) in creditors	538,485	(458,406)
Net creditors transferred from Etone College	(5,422)	-
Net cash inflow from operating activities	1,453,503	1,146,252

21 Returns on investments and servicing of finance

	Year Ended 31.08.14 £	Year Ended 31.08.13 £
Interest received	20,695	11,842
Net cash inflow from returns on investment and servicing of finance	20,695	11,842

Matrix Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

22 Capital expenditure and financial investment

	Year Ended 31.08.14 £	Year Ended 31.08.13 £
Purchase of tangible fixed assets	769,129	576,313
Capital grants from DfE/EFA	(176,019)	(332,961)
Capital funding received from sponsors and others	(12,865)	-
Net cash outflow from capital expenditure and financial investment	580,245	243,352

23 Analysis of changes in net funds

	At 01.09.13 £	Cash flows £	At 31.08.14 £
Cash in hand and at bank	2,087,997	2,334,939	4,422,936
	2,087,997	2,334,939	4,422,936

24 Contingent Liabilities

There were no contingent liabilities as at 31 August 2014 or 31 August 2013.

25 Members' Liability

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

26 Pension and similar obligations

The academy's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and two Local Government Pension Schemes (LGPS) for non-teaching staff, which are the West Midlands Pension Fund administered by Wolverhampton City Council, and the Warwickshire County Council Pension Fund administered by Warwickshire County Council. All three schemes are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2014.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

26 Pension and similar obligations (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme, include: a pension based on career average earnings; an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and 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.

Matrix Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme

The academy trust is one of several employing bodies included within the Local Government Pension Schemes (LGPS).

The LGPS are funded defined-benefit schemes, with their assets held in separate trustee-administered funds. Contributions to the schemes are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contributions made for the year ended 31 August 2014 was £286,592 (2013: £155,761), of which employer's contributions totalled £105,012 (2013: £118,407) for Barr Beacon and £106,000 for Etone College and employees' contributions totalled £37,354 (2013: £37,580) for Barr Beacon and £38,000 for Etone College. The agreed contribution rates for future years are 12.9% (2013: 15.5%) for Barr Beacon School and 13.8% for Etone College for employers and between 5.5% (2013: 5.5%) and 12.5% (2013: 7.5%) for employees.

Principal Actuarial Assumptions	Barr Beacon School At 31.08.14	Etone College At 31.08.14	Barr Beacon School At 31.08.13
Rate of increase in salaries	3.95%	4.5%	4.15%
Rate of increase for pensions in payment / inflation	2.2%	2.7%	2.40%
Discount rate for scheme liabilities	4.0%	3.7%	4.60%
Inflation assumption (CPI)	2.2%	2.7%	2.40%

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

	Barr Beacon School At 31.08.14	Etone College At 31.08.14	Barr Beacon School At 31.08.13
<i>Retiring today</i>			
Males	22.9	22.4	22.1
Females	25.5	24.4	24.8
<i>Retiring in 20 years</i>			
Males	25.1	24.3	23.9
Females	27.8	26.6	26.7

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

	Expected return - Barr Beacon School	Expected return - Etone College	Expected return at 31.08.13 (SAT)	Fair value at 31.08.14 (MAT) £	Fair value at 31.08.13 (SAT) £
Equities	45.0%	68.0%	42.4%	952,000	248,000
Government bonds	7.9%	-	8.4%	59,000	49,000
Other bonds	10.3%	21.0%	11.2%	268,000	66,000
Property	8.7%	10.0%	8.7%	156,000	51,000
Cash	4.4%	1.0%	4.1%	42,000	24,000
Other	23.7%	-	25.2%	176,000	148,000
Total market value of assets				1,653,000	586,000
Present value of scheme liabilities				(4,104,000)	(1,794,000)
Deficit in the scheme				(2,451,000)	(1,208,000)

The actual return on scheme assets was £48,000 (2013: £8,000).

Amounts recognised in the statement of financial activities	Barr Beacon School £	Etone College £	Year Ended 31.08.14 £ (MAT)	Year Ended 31.08.13 £ (SAT)
Current service cost (net of employee contributions)	120,000	164,000	284,000	122,000
Past service cost	-	-	-	-
Total operating charge	120,000	164,000	284,000	122,000
Expected return on pension scheme assets	38,000	58,000	96,000	27,000
Interest on pension liabilities	(86,000)	(86,000)	(172,000)	(74,000)
Pension finance income / (costs)	(48,000)	(28,000)	(76,000)	(47,000)

Matrix Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £374,000 loss (2013: £111,000 loss).

	Barr Beacon School £	Etone College £	Year Ended 31.08.14 £ (MAT)	Year Ended 31.08.13 £ (SAT)
Movements in the present value of defined benefit obligations:				
At 1 September 2013	1,794,000	-	1,794,000	1,567,000
Transfer from Etone College	-	1,772,000	1,772,000	-
Current service cost	120,000	164,000	284,000	122,000
Interest cost	86,000	86,000	172,000	74,000
Employee contributions	38,000	38,000	76,000	37,000
Actuarial (gain)/loss	(143,000)	170,000	27,000	-
Benefits paid	(12,000)	(9,000)	(21,000)	(6,000)
At 31 August 2014	1,883,000	2,221,000	4,104,000	1,794,000

	Barr Beacon School £	Etone College £	Year Ended 31.08.14 £ (MAT)	Year Ended 31.08.13 £ (SAT)
Movements in the fair value of the Trust's share of scheme assets:				
At 1 September 2013	586,000	-	586,000	389,000
Transfer from Etone College	-	941,000	941,000	-
Expected return on assets	38,000	58,000	96,000	27,000
Actuarial (loss)/gain	(11,000)	(225,000)	(236,000)	21,000
Employer contributions	105,000	106,000	211,000	118,000
Employee contributions	38,000	38,000	76,000	37,000
Benefits/transfers paid	(12,000)	(9,000)	(21,000)	(6,000)
At 31 August 2014	744,000	909,000	1,653,000	586,000

The estimated value of employer contributions for the year ended 31 August 2015 is £243,000.

The five-year history of experience adjustments is as follows:

	31.08.14 £ (MAT)	31.08.13 £ (SAT)	31.08.12 £ (SAT)
Present value of defined benefit obligations	(4,104,000)	(1,794,000)	(1,567,000)
Fair value of share of scheme assets	1,653,000	586,000	389,000
Deficit in the scheme	(2,451,000)	(1,208,000)	(1,178,000)
Experience adjustments on share of scheme assets	(236,000)	21,000	(15,000)
Experience adjustments on scheme liabilities	(27,000)	-	(117,000)

27 Related Party Transactions

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

There were no transactions with related parties during the year other than as disclosed in note 11 to the financial statements.

Matrix Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

28 Transfer of Etone College into Matrix Academy Trust

On 1 February 2014, Etone College, an existing single academy trust, joined the Matrix Academy Trust. All of the operations and assets and liabilities of Etone College were transferred to Matrix Academy Trust for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities were transferred at their book value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets				
Freehold / leasehold land and buildings	-	-	14,211,969	14,211,969
Other tangible fixed assets	-	-	491,370	491,370
Capital funding received in advance	-	-	493,634	493,634
Budget surplus on LA funds	-	541,223	-	541,223
Unrestricted funds	384,407	-	-	384,407
LGPS pension deficit	-	(831,000)	-	(831,000)
Net assets/(liabilities) transferred as at 1 February 2014	384,407	(289,777)	15,196,973	15,291,603

The above net assets include £1,440,986 that was transferred as cash.