



Chartered Accountants  
*Local Matters, National Strength.*

**Matrix Academy Trust**  
**Report of the Trustees and Financial**  
**Statements**  
**For the Year Ended 31 August 2017**

**Registration Number: 07654219**

# Matrix Academy Trust

## For the Year Ended 31 August 2017

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# Matrix Academy Trust

For the Year Ended 31 August 2017

<b>Members</b>	Mr J Bench Mr S Smith Dame Maureen Brennan (stepped down 11 December 2017) Mr I Bidmead (appointed 11 December 2017)
<b>Trustees / Directors</b>	Mr J Bench (Chairman) Mr S Smith Dame Maureen Brennan (Chief Executive) Mr K Hoey Ms D Park Mr S White (appointed 11 December 2017)
<b>Company Secretary</b>	Mr C Berry
<b>Senior Leadership Team</b>	Dame Maureen Brennan (Chief Executive & Accounting Officer) Mr R Doidge (Chief Financial Officer) Mr C Berry (Facilities Manager) Mr R Nicholls (Network Manager) Mrs L Doidge (HR Manager) Miss J Newsome (Leadership Consultant) Mr K Shilton (SCITT Director) Mrs L Draycott Mr I Smith Mr A Seager Mrs J Aulton (resigned 31 December 2016) Mr M Dunn (appointed 1 October 2016) Miss R Beards
<b>Company Name</b>	Matrix Academy Trust
<b>Principal and Registered Office</b>	Barr Beacon School Old Hall Lane Aldridge Walsall West Midlands WS9 0RF
<b>Company Registration Number</b>	07654219 (England & Wales)

# **Matrix Academy Trust**

**For the Year Ended 31 August 2017**

**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 2017

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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 2017. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

Matrix Academy Trust operates 3 secondary academies and an all through academy in the West Midlands. Its academies have a combined pupil capacity of 4637 and had a roll of 4026 in the school census October 2017.

Barr Beacon School	11-18	Walsall
Bloxwich Academy	3-18	Walsall
Etone College	11-18	Warwickshire
Dame Elizabeth Cadbury School	11-18	Birmingham

#### **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 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).

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. Barr Beacon School was designated an outstanding school in January 2014.

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. Etone College had been placed in special measures in April 2013.

On 1 April 2015, The Mirus Academy (Walsall College Academies Trust) transferred all of its operations, assets and liabilities to Matrix Academy Trust. The Mirus Academy (Walsall College Academies Trust) had itself converted from a Local Authority School to an Academy Trust on 1 January 2012. The Mirus Academy has now changed its name to Bloxwich Academy. The Mirus Academy had been placed in special measures in November 2013.

On 1 October 2016, Dame Elizabeth Cadbury Technology College transferred all of its operations, assets and liabilities to Matrix Academy Trust. Dame Elizabeth Cadbury Technology College was a local authority school within Birmingham Local Authority. Dame Elizabeth Cadbury Technology College is now known as Dame Elizabeth Cadbury School. Dame Elizabeth Cadbury Technology College was recognised as a good school in November 2012.

Details of the trustees who served during the year and up to the date of signing this report 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 2017**

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### **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 2017**

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### **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 Chief Executive 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 Chief Executive. 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 Leadership 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.

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 2017**

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### **Organisational Structure**

Matrix Academy Trust is a Multi Academy Trust with four independent schools forming that Trust, Barr Beacon School, Etone College, Bloxwich Academy and Dame Elizabeth Cadbury School.

The Board of Trustees are responsible for the strategic oversight of the trust. Operational management is the responsibility of the Chief Executive 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 Governance Advisory Boards, 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, Audit and Headteacher Appraisal. School policies are developed by the Leadership and Central Support 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.

### **Arrangements for setting pay and remuneration of key management personnel**

Key Management Personnel within the Trust's academies include the Trustees, the Senior Leadership Team and the Central Support Team. Pay and remuneration is determined by the trusts pay policy. Salaries are reviewed annually and can be changed during the year as per the trust or individual school's needs.

### **Connected Organisations including Related Party Relationships**

Matrix Academy Trust has strong connections with a number of universities for both pupil and staff engagement.

Barr Beacon SCITT completed its first year with 29 colleagues completing the programme leaving with good or outstanding features. Matrix Academy Trust is a hub with the TES Institute for the Straight to Teach Programme.

Matrix Academy Trust also provided numerous 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. Matrix Academy Trust also providing advice and guidance to colleagues from other schools.

Evolve Teaching School Alliance, based at Barr Beacon School has been a designated Teaching School since September 2014, and is a partnership working within and beyond our locality. The Alliance partnership offers a network of Primary and Secondary schools that collaborate effectively to share first hand outstanding training and practice in a variety of different specialisms. Evolve Teaching School Alliance is the lead in a SSIF bid to the NCTL working with 32 other schools over 4 local authorities (Walsall, Sandwell, Dudley and Wolverhampton). Evolve Teaching School Alliance Limited is also a member of the Black Country Teaching School Group.

The Chair of Trustees is a National Leader of Governance (NLG). He offers support to other governing bodies and has chaired an Interim Executive Board in a Walsall School in special measures.

The Chief Executive as a National Leader in Education (NLE) leads on pupil premium reviews together with Barr Beacon School as a National Support School (NSS). On 1 November 2017 the Chief Executive was elected onto the headteachers board for the west midlands working with the regional school's commissioner.



# **Matrix Academy Trust**

## **Trustees' Report**

**For the Year Ended 31 August 2017**

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### **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 2017 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;
- To provide quality training for trainee teachers to improve the workforce of all schools within the trust and their local communities.

#### **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.

The training of teachers and improvement of the workforce through our SCITT programme and 'grow your own' strategy, professional development, support and commitment to teacher training.

Matrix Academy Trust aim to reduce regional staff shortages, especially in specialist subjects.

# **Matrix Academy Trust**

## **Trustees' Report**

**For the Year Ended 31 August 2017**

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### **Equality & Diversity Policy**

The overall objective of Matrix Academy Trust's Equality and Diversity 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 schools.

### **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 2017

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### Strategic Report

#### Achievements and Performance

In the year leading up to 31 August 2017 the following was achieved by Matrix Academy Trust:-

- Matrix Academy Trust has a shared system for monitoring and evaluating the quality of teaching in the trust
- Staff work collaboratively at all sites to ensure that good practice is shared across all schools in Matrix Academy Trust
- The Teaching School is successfully creating strong relationships within its alliance
- Barr Beacon SCITT
- Since Etone College joined Matrix Academy Trust the rate of improvement has accelerated impressively now being moved from Requires Improvement to Good.
- Bloxwich Academy achieved its highest GCSE results ever
- Quality of teaching in all schools has improved as reflected in improved pupil outcomes
- Strengthened Leadership within the MAT by employing Secondary and Primary consultants to increase school improvement capacity
- Dame Elizabeth Cadbury School joining Matrix Academy Trust as a good school. Adding capacity to the trust.
- Parental preferences for submissions into Year 7 have improved significantly for all schools
- Pupil Numbers have improved
- All schools within the trust were fully staffed with the exception of Bloxwich Academy – Primary
- Appointed a substantive headteacher for Bloxwich Academy – Primary

#### Key Financial Performance Indicators

- Maintain a healthy financial balance
- Maintain a healthy school roll
- Increase catering revenue
- Increase revenue from community budget
- Increase efficiency of energy usage
- Increase usage of local suppliers
- Standardised reporting
- 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.

#### Financial Review

As shown in the Statement of Financial Activities on page 23, the combined Restricted General Fund and Unrestricted Fund show net expenditure for the year of £1,714,464 (2016: net income £1,729,623). This net expenditure, however, includes the value of the net liabilities (surplus on transfer of £273,155 less pension deficit on transfer of £2,208,000) of Dame Elizabeth Cadbury School which converted to academy status and joined Matrix Academy Trust during the year. Excluding these net liabilities transferred of £1,934,845, and also excluding the value of the Trust's notional pension charge in excess of the cash contributions made (excess of some £727,000), the underlying position is actually an operating surplus for the year of £947,381 (2016: £1,925,623). 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.

# Matrix Academy Trust

## Trustees' Report

### For the Year Ended 31 August 2017

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#### **Financial Review - continued**

Matrix Academy Trust received total income of £34,798,303 (2016: £21,090,092), of which £20,089,050 (2016: £17,073,152) was received from the DfE through the General Annual Grant (GAG) and £10,248,103 (2016: £nil) was in relation to the transfer from LA on conversion of Dame Elizabeth Cadbury School's assets and liabilities. Other income generated totalled £4,461,150 (2016: £4,016,940) was made through income streams such as additional grant income, hire of facilities, student teacher programmes, catering income and capital income.

The Trust was also awarded £217,564 from the Condition Improvement Fund during the year ended 31 August 2017, to replace the hot and cold water infrastructure at Etone College.

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 2017 this income totalled £150,237 (2016: £108,374).

In the year ended 31 August 2017 there was a total expenditure of £25,360,711 (2016: £19,967,208) (note 6). Staff salaries accounted for the majority of funds expended, which totalled £18,566,689 (2016: £14,638,172) (note 9).

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 £2,369,000 (2016: £2,156,000), Bloxwich Academy's share of the deficit in the West Midlands Pension Fund has been assessed at £3,515,000 (2016: £3,646,000), Etone College's share of the deficit in the Warwickshire County Council Pension Fund has been assessed at £1,107,000 (2016: £2,083,000) and the share of the deficit in the West Midlands Pension Fund apportioned to Dame Elizabeth Cadbury School has been assessed at £2,272,000 (2016: £2,208,000).

The updating of and management of the asset register (note 14) shows that we have total fixed assets at cost or valuation of £58,696,941 (2016: £41,314,815), including land and buildings with a value of £54,668,538 (2016: £37,862,378). Depreciation charges for the year total £1,321,465 (2016: £1,349,101), which is calculated on the straight line depreciation method. Total net book value of assets for the year ended 31 August 2017 is £50,464,745 (2015: £34,404,084).

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 Chief Executive. 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. Please refer to note 8 in the Notes to Financial Statements.

#### **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 to accommodate and manage the lagged pupil funding due to a growth in pupil numbers.

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 2017 Matrix Academy Trust received £7,980 interest on investments.

# Matrix Academy Trust

## Trustees' Report

For the Year Ended 31 August 2017

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### 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 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.

### 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 and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to eliminate risk.

Where significant financial risk still remains they have ensured they have adequate insurance cover. The trust 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 trust 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 trust complies with relevant laws and regulations.

# Matrix Academy Trust

## Trustees' Report

For the Year Ended 31 August 2017

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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.

### Plans for Future Periods

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

- 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
- Continue to develop an outstanding SCITT (School Centred Initial Teacher Training)
- Continue to recruit, train and maintain outstanding teaching and support staff
- Continue to contribute to school improvement at a local, regional, national and international level
- Continue to work with partners at DfE, ESFA, Local Authorities, Regional School Commissioners and other schools
- Monitor and review the governance of the schools within the trust
- To develop the leadership academy
- To expand primary expertise within the trust

### 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 11.12.17 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 2017

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### 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 Chief Executive, 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 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Bench (Chairman)	5	5
Dame Maureen Brennan (Chief Executive and Accounting Officer)	5	5
Mr K Hoey	5	5
Ms D Park	5	5
Mr S Smith	4	5

During the year ended 31 August 2017 there have been no changes to the composition of the Board of Trustees.

The ESFA undertook a review of financial management and governance at the trust in May 2017 and published a report in October 2017, there were no regulatory issues. A full independent review of governance arrangements was requested by the ESFA.

A full independent review of governance arrangements was undertaken by J&G Marshall with a recommended action plan.

The trust intends to conduct an annual external review of governance with the next being undertaken by 30 November 2018.

The audit committee is a sub-committee of the main board of trustees. Its purpose is to provide assurances to the board of directors that risks are being adequately identified and managed by

- reviewing the risks to internal financial control at the trust
- agreeing a programme of work to address, and provide assurance on those risks
- review the reports of the responsible officer on the effectiveness of the financial procedures and controls

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr K Hoey	2	2
Mr S Smith	2	2

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

# **Matrix Academy Trust**

## **Governance Statement**

**For the Year Ended 31 August 2017**

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### **Review of Value for Money**

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

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

### **Improving educational results**

We have ensured that resources are directed where they are most needed and most effective in meeting educational requirements, for example by:

- Continuing the drive to raise standards so all academies become outstanding;
- Targeting resources in key target areas such as literacy and numeracy;
- Monitoring the needs of individual pupils and ensuring the support they receive is of the highest quality;
- Ensure every single young person who attends an academy within Matrix Academy Trust has the very best experience and achieves everything they are capable of;
- Closing the gap between the progress of disadvantaged pupils and non-disadvantaged pupils;
- Monitor the performance of staff to ensure that relevant action is taken where weaknesses are identified;
- Using the SCITT to provide a pipeline of quality first teachers to work within the trust.

The effectiveness of these strategies can be seen in the sustained performance of pupil achievement.

### **Maintaining the Focus on individual pupils**

The trust has managed the differing needs of pupils, such as those requiring one to one support and those requiring more stretch by:

- Quality Year 7 catch up intervention in English and Maths
- More able pupils are challenged requiring additional planning
- Withdrawal from certain subjects in years 7, 8 and 9 to focus on additional literacy and numeracy work
- Success centre continues to work alongside the small proportion of disengaged pupils
- Purchasing equipment and additional resources for individual pupils where necessary
- Collapsed curriculum events to accelerate progress
- Discrete reading curriculum and support for the least able
- Educational visits
- Pupil premium is strategically used for intervention strategies to ensure we minimise underperformance.

### **Financial governance and oversight**

The Board of Trustees receives and approves the Annual Budget, Annual Accounts and the External Auditors Management Report and is mindful of the need to balance expenditure against income to ensure the trust and its academies remain a 'going concern'.

Each appointed Headteacher will have overall responsibility for the day to day management of their academy budget. The Board of Directors, Chief Executive and CFO review financial performance.



# **Matrix Academy Trust**

## **Governance Statement**

**For the Year Ended 31 August 2017**

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### **Better Purchasing**

A register of all services and contracts has been developed and all contracts are appraised and renegotiated in a timely manner to get the best mix of quality and effectiveness for the least cost.

Some services have been terminated with external providers as the expertise is now available in house.

The Trust benchmarks financial performance against each of its academies along with other Trusts to demonstrate that the Trust provides good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive.

The Trust regularly takes opportunities to work collaboratively with others to reduce and share administration and procurement costs.

### **Better income generation**

The Trust explores every opportunity to generate income through hire of Academy facilities, school to school support, catering, training for graduate teachers and teacher release.

### **Reviewing controls and managing risks**

Budget holders, management and board of directors receive regular budget reports which are scrutinised to ensure the most effective use of resources to meet the objectives of the Trust.

The Trust from time to time moves balances to a high interest account to ensure maximum returns on surplus balances. This is reported to the board of directors and best options discussed on a regular basis.

Insurance levels are reviewed annually and used cost-effectively to manage risks.

The trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees have determined that an appropriate level of free reserves should be maintained. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, to plan for future capital projects and to make provision for fluctuations in pupil numbers.

The Headteacher at each academy will review expenditure within each capitation budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified.

# **Matrix Academy Trust**

## **Governance Statement**

**For the Year Ended 31 August 2017**

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### **Lessons learned**

What the Trust has done to appraise and learn from its strategies and decisions in order to make the budget go further are

- To use data to target resources and evaluate on an on-going basis to ensure funds are spent to best effect.
- To forensically monitor finances, this enables detailed management reports to be developed for the trustees, governance advisory boards and senior staff.
- The Trust has increased its use of specialist services, such as the provision of school Master plans detailing future development of the land and buildings based on capacity and curriculum needs to inform long term capital spend and aid grant applications.
- Ensure the due diligence check provides an accurate and detailed list of financial, legal and human resources commitments of any future academy joining the Matrix Academy Trust.

### **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 2017 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

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

# Matrix Academy Trust

## Governance Statement

For the Year Ended 31 August 2017

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### 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 after a review of the internal audit report by the appointed auditors HCSS Ltd on 5 December 2016 covering:

- School Development Plan
- Budgeting Process
- Governance and Internal Reporting
- Tendering Process

HCSS informed us in December that they would cease with immediate effect to be able to continue with their audit service during 2016/2017 financial year.

At the next audit committee meeting it was agreed to continue with an external supplier to perform additional checks. After competitive quotes were sought and reviewed, Services 4 Schools have been appointed as internal auditors from 1 September 2017.

### Review of Effectiveness

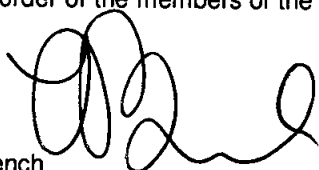
As accounting officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor/audit committee;
- the work of the external auditor;
- the governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 11-12-17..... 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 2017**

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As accounting officer of Matrix Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



**Dame Maureen Brennan**  
**Accounting Officer**

# Matrix Academy Trust

## Statement on Trustees' Responsibilities

For the Year Ended 31 August 2017

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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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS102] 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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education and Skills Funding Agency and Department for Education 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 ...11-12-17... and signed on its behalf by:

Mr Jeremy Bench  
Chair of Trustees



Report of the Independent Auditors to the Members of  
Matrix Academy Trust

**Opinion**

We have audited the financial statements of Matrix Academy Trust (the 'charitable company') for the year ended 31 August 2017 on pages twenty three to forty six. 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 Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency (ESFA).

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

Report of the Independent Auditors to the Members of  
Matrix Academy Trust

**Responsibilities of trustees**

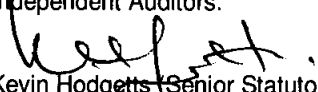
As explained more fully in the Statement of Trustees Responsibilities set out on page nine, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true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

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

**Our responsibilities for the audit of the financial statements**

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

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

  
Kevin Hodggett (Senior Statutory Auditor)  
for and on behalf of Haines Watts Birmingham LLP  
Sterling House  
71 Francis Road  
Edgbaston  
Birmingham  
B16 8SP

Date: 21.12.2017

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

In accordance with the terms of our engagement letter dated 11 March 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Matrix Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Matrix Academy Trust's funding agreement with the Secretary of State for Education dated 28 January 2014 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- A review of the Academy Trust's accounting and internal control procedures; and
- Consideration and review of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.

**Conclusion**

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Matter 1:** The trust did not include in its internal control framework a process for independent checking of financial controls, systems, transactions and risks during the year ended 31 August 2017. The last report received was in respect of the previous financial period. An alternative internal auditor has been appointed from 1 September 2017.

*Haines Watts*

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

Date: 21.12.2017