

MARCHES ACADEMY TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



MARCHES ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Ms A Burgess Mr R Forrester Mr D Griffiths Mr M Davis (on behalf of the Church of England Central Educational Trust) Mr A Walpole
Trustees	Mrs C Bennett ^{1,3} Mrs A Cattermole (Chair of Finance and Operations Committee) ^{1,3} Mr S Cowper (Chair of Audit and Risk Committee) ^{1,2} Mrs P Edwards ² Ms S Finch (CEO and Accounting Officer) ^{2,3} Mr A Fry (Chair) ³ Mr M Liquorish (Chair of Educational Standards Committee) ^{2,3} Mr A Walpole ^{1,2,3} ¹ Audit and Risk Committee ² Educational Standards Committee ³ Finance and Operations Committee
Company registered number	07680422
Company name	Marches Academy Trust
Principal and registered office	The Marches School Morda Road Oswestry Shropshire SY11 2AR
Company secretary	Mr G Bridges (resigned 30 November 2022) Miss C Allsopp (appointed 1 December 2022)
Senior management team	Ms S Finch, CEO & Accounting Officer Mr G Bridges, Chief Financial & Operating Officer (resigned 30 November 2022) Mrs C Whelan, Executive Director of Education (resigned 31 August 2023) Mrs C Priestley-Bird, Executive Director of People & Development Mrs C Turner, Executive Director of Education Mrs A Pearson, Executive Director of Education (part time) Mrs M Jones, Associate Executive Director of Education (School improvement - part time) Mrs A Chevin-Dooley, Associate Executive Director of Education (Inclusions) - appointed 1 July 2023 Miss C Allsopp, Associate Executive Director Finance and Business - appointed 1 July 2023

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Independent auditors	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Bankers	Barclays Bank PLC 44-46 Castle Street Shrewsbury Shropshire SY1 2BU
Solicitors	Browne Jacobson LLP 15th Floor 103 Colmore Row Birmingham B3 3AG

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the year ended 31 August 2023. The annual report serves the purpose of both a Trustees' report, and a Directors' report under Company Law.

In 2022-2023, the Trust operated 5 primary, 4 secondary and 1 SEMH special school for pupils aged 2 to 18 in Shropshire. From the October 2022 school census, total pupils on roll was 5,049.

In September 2023, a single secondary academy Trust transferred into the Trust, increasing pupil numbers to over 6,300 in 2023-2024.

Structure, governance and management

a. Constitution

Marches Academy Trust (the "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 Trust.

The Trustees of Marches Academy Trust are also the directors of the Charitable Company for the purpose of company law.

The charitable company operates as Marches Academy Trust and under the names of its schools and Teaching School;

- The Marches School
- Sir John Talbot School
- The Grove School
- Shrewsbury Academy
- Idsall School (from 1 September 2023)
- Woodlands School
- Tilstock C of E Primary School & Nursery
- Lower Heath C of E Primary School & Nursery
- Longlands Primary school
- Grange Primary School
- Oakmeadow C of E Primary School
- Alliance of Leading Learning

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration details on page 1.

b. Trustees liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

c. Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach them in respect of any negligence, default or breach of trust or breach of duty on which they may be guilty in relation to the 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 or Trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or a 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 Trust. The limit of this indemnity is £10 million.

d. Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed. The Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to six Trustees appointed by the members
- up to two Trustees who are appointed by the Trustees
- up to two Trustees who are appointed by their Diocesan Board of Education
- the CEO who is treated for all-purpose as being an ex officio Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

The Diocese of Lichfield is empowered under article 50AA to appoint Trustees.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Trust schools and the chance to meet with staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction is tailored specifically to the individual.

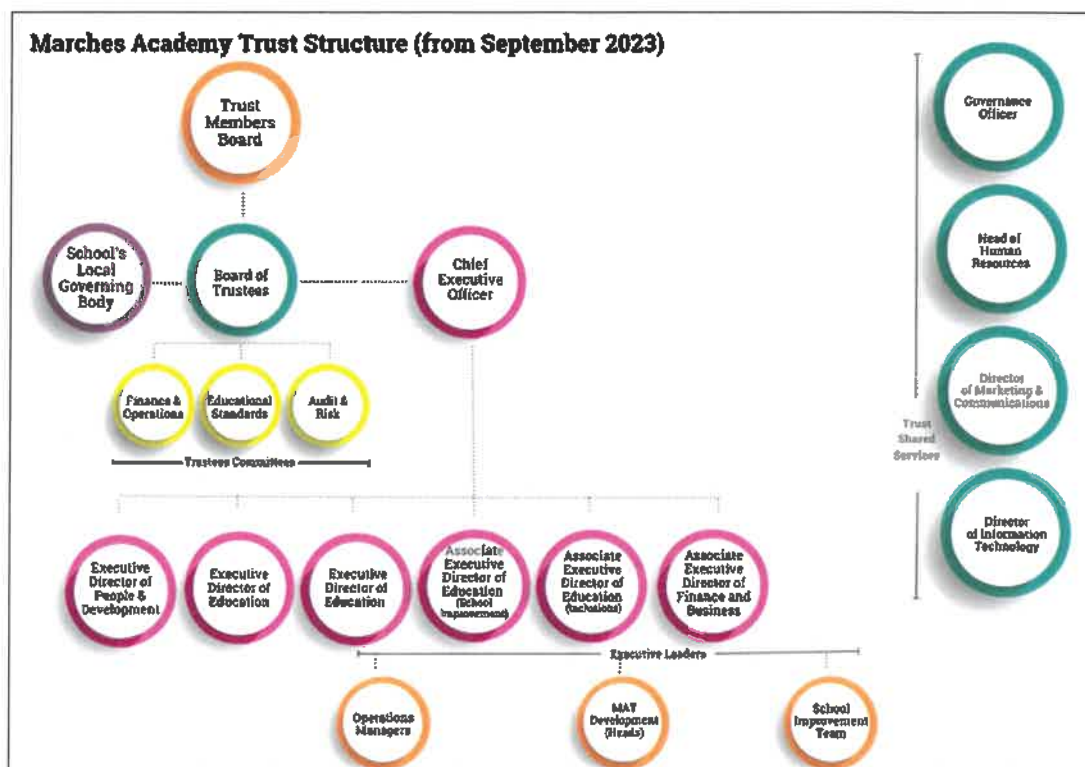
The Clerk to Trustees has developed a programme of master class and bitesize training sessions for Trustees and Governors which are held throughout the year, delivered online and recorded to enable new Trustees to recap on past sessions. These sessions have included topics such as finance, the Academies Handbook, Safeguarding and understanding school data.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

f. Organisational structure



The Board of Trustees normally meets twice each term. The Board establishes an overall framework for the governance of the Trust and determines Trusteeship, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a prescribed time scale.

There are three committees as follows:

- Finance and Operations Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, and it monitors ongoing site and premises issues.
- Audit and Risk Committee - this committee is responsible for compliance with reporting and regulatory requirements and reporting, receiving reports from the internal and external auditors and risk management.
- Education Standards Committee - this meets twice a term to monitor, evaluate and review Trust policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the CEO and Clerk to the Trustees, to approve the annual Trust Development Plan (TDP) and Trust budget.

The Trustees and Board of Trustees have devolved responsibility for day-to-day management of the Trust to

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Structure, governance and management (continued)

the CEO who is supported by the Executive Leadership Group (ELG). The ELG comprises the Chief Executive Officer, Executive Director of People and Development, two Executive Directors of Education, two Associate Executive Directors of Education and the Associate Executive Director of Finance and Business. The ELG implement the policies laid down by the Trustees and report back to them on performance. Day-to-day management and operation of the Trust's schools is delegated to Headteachers.

The Chief Executive Officer is the accounting officer.

g. Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the Executive Leadership Group the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year (excluding the Trust's CEO whose remuneration is disclosed in the notes within these financial statements).

In the year, internal benchmarking has been completed when reviewing the remuneration of the Trust's Executive Leadership Group. In the first instance, salaries are increased in accordance with standard published pay awards but also take into account performance reviews and any changes to roles and responsibilities.

h. Related parties and other connected charities and organisations

There are no sponsors or related parties of the Trust which either control or significantly influence the decisions and operations of Marches Academy Trust.

4 All Foundation:

The Trust has a connected charity, 4 All Foundation. It's aim is to support those living in the communities where the Trust's schools are located. It became an independent registered charity (CIO) in June 2023 (registered Charity number 1203479) and meets the Charity Commission's definition of a connected charity.

Through their own governing body, 4 All Foundation carries out its charitable purposes supporting children, young people, adults, and older residents in Shropshire and the surrounding counties, to reach their full potential.

More details can be found here: www.4all.foundation

In the year, the Trust has donated costs in association with the setup and incorporation of the Charity and has provided staff resource as outlined in a Service Level Agreement (SLA) between 4 All Foundation and the Trust at zero cost.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

I. Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- consulting with employees on key matters, including engaging the relevant union officials
- regular updates to all staff, via weekly and termly updates and newsletters
- annual staff survey
- regular review and update of key policies impacting Trust staff
- delivering a robust strategy to embed Equality, Diversity, Inclusion and Belonging (EDIB) across all Trust staff

Objectives and activities

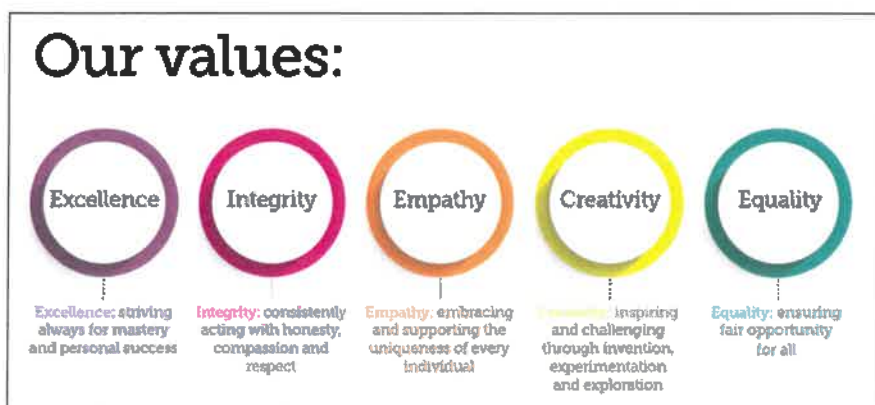
a. Objects and aims

The principle object and activity of the Trust is to advance for the public benefit education, in particular by establishing, maintaining, carrying on, managing and developing schools, offering a broad and balanced curriculum. During 2022-2023, the Trust was responsible for over 5,000 children and young people and in excess of 800 staff members across its 10 schools, teaching school and central Trust team.

At Marches Academy Trust we aim to set the best for, and from each student. We intend to enable each student to realise their full academic, creative and physical potential and to develop positive social and moral values. Our Trust is a community in which students, staff and parents should feel supported in a happy and caring environment.

Mission - As a Trust, it's our mission to empower everyone in our Trust and our communities to live and breathe our values and **Achievement Through Caring**, to reach their full potential.

Values - Across our family of schools, we pride ourselves on delivering high-quality education and superb pastoral care whilst inspiring our children and young people to achieve their potential and be happy.



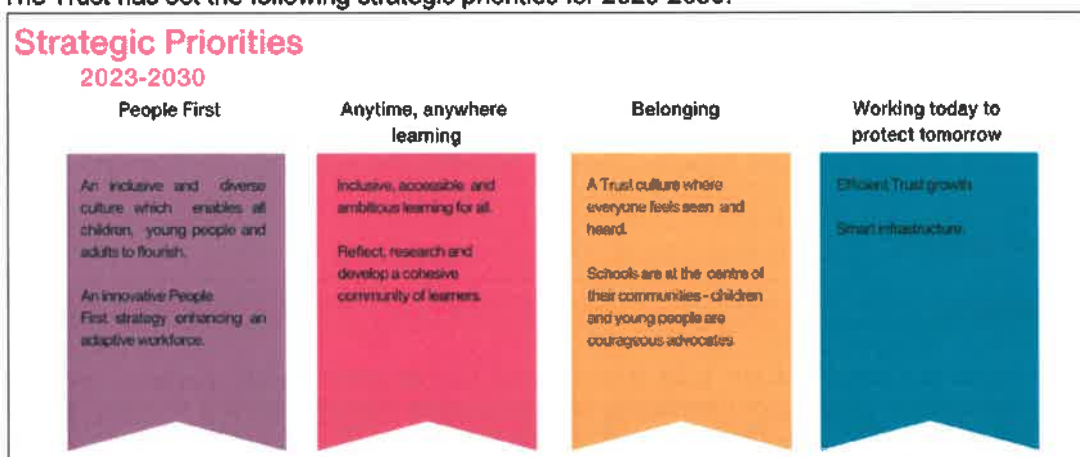
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

b. Objectives, strategies and activities

The Trust has set the following strategic priorities for 2023-2030:



These strategic priorities have been agreed and set between the Executive Leadership Group and the Board of Trustees. The actions and plan to achieve these priorities are documented within the annual Trust's Development Plan (TDP). Using these, the Trust school's have then created their own annual school development plans (SDPs). These plans outline the direction and milestones the Trust is working towards to ensure the longer term priorities of the Trust are achieved.

c. Public benefit

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioners general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit, education in Shropshire and the surrounding areas. In particular, but without prejudice to the generality of the forgoing by maintaining, managing and developing schools and by offering a broad curriculum.

The Trust's schools provide facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life and opportunities of the community.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

Building on its solid and experienced foundations the Trust has continued to grow and evolve within 2022-2023. Driven by our Trust vision and embedded by our values, the Trust has continued to build a family of learners who work together through collaboration and competing in our cross Trust varsity events. This has been strengthened this year by One Voice, a forum for children and young people (CYP) to meet together to decide on the projects they believe the Trust should focus on.

There are many challenges facing our Trust schools; we are seeing significant increases in CYP who have speech and language and social emotional delays which put a great deal of pressure into the system. Our SEND and Safeguarding leads are developing skill sets across the Trust to support teachers and teaching assistants to find ways to build relationships and engage CYP in learning. We have still got work to do, however across all our schools staff are working hard to ensure that CYP are learning effectively by implementing and adapting teaching methods.

Numbers on roll have generally remained constant across the Trust in 2022-2023, with continued significant increases at Sir John Talbot's School, Shrewsbury Academy and Tilstock Primary School. This is a result of the continued growing reputation of these schools which is testimony to their continuing improved educational outcomes and the relationships with the communities that they serve.

In September 2022 we welcomed two new Headteachers into the Trust family, joining Longlands Primary School and Lower Heath C of E Primary School. Both Headteachers have been able to successfully grow and move their schools forward and as a result both received Ofsted gradings of Good during their inspection in 2023.

The Grove School also received an Ofsted inspection in the year. In the summer of 2022 their GCSE results placed the school as the sixth highest performing school of the 18 secondary schools across Shropshire. Since their last inspection in 2017 (where they were rated as requires improvement for every category except sixth form) we were delighted that the inspectors clearly recognised the immense changes that have taken place since the school joined the Trust in 2018 with four of these areas now being recognised as Good.

Following the COVID pandemic the Trust and its schools have been able to return to offering its diverse and broad programme of residential excursions, trips and visits. The enrichment programmes offered by our schools is key to the delivery of successful outcomes and the recruitment of pupils into our Trust schools.

GCSE results summer 2023:

The table below shows the proportion of students achieving 5 standard passes including English and Maths compared to 2019 and 2022. Results nationally were planned to be back to the 2019 benchmarks. There was a mixed picture for Trust schools against a backdrop of some schools facing challenging staffing gaps that schools needed to manage. All schools have robust plans in place to build on the 2023 performance.

	2023	2022	2019
The Marches School	56.9%	64.8%	61.3%
Sir John Talbot	63.4%	63.4%	59.5%
The Grove School	57.0%	66.1%	55.1%
Shrewsbury Academy	29.2%	45.3%	32.5%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

1. People First

Wellbeing – We are committed to developing a supportive and proactive approach to the wellbeing of all staff. We have signed up to the Education Wellbeing Charter and implemented a Wellbeing Policy. We have also extended our external wellbeing offer to ensure that all staff have the same access to a variety of wellbeing services.

We Thrive Survey – Our 2023 'We Thrive' employee engagement survey has shown an increased engagement rate at 70% which is the highest since we first rolled out We Thrive in 2019 when it was 64%. This is a measure of increasingly positive responses. We have a lot to be proud of.

Our highest scores were:

- School and students - understanding how our work ties in to the school vision and benefits CYP.
- Personal Performance - how clear we are about the performance expected of us.
- Skills - that we have the necessary skills to do our work.
- Attention - that we are able to interact positively with others.
- Common bond - we have positive and constructive bonds with others and a sense of team spirit.

Professional Learning – Developing a Culture of Continuous Learning - We are driven by our belief that our staff team should be successful, creative, lifelong learners. We have continued to provide a schedule of professional learning that drives school improvement. From a school's needs analysis our focus has been developing an Inclusive Curriculum, embedding Equality, Diversity, Inclusion and Belonging, training in Behaviour for Learning strategies, SEND initiatives and Trauma Informed training.

2. Learning for Life

This year has seen us develop sharp clarity in how we drive learning for life forwards. We used visits to schools not only to quality assure our provision but to think deeply about future improvement. We identified that learners' attitudes, behaviours, knowledge and skill sets needed to be reinvigorated and we sought ways to do this. The collaboration days that we added to our academic calendar have been instrumental in driving change. They have provided opportunities for all schools to think and work together differently. Exciting Trust wide projects emerged from this and have gained momentum and traction. Curriculum leaders and teaching and learning leaders have created a series of Trust principles for an inclusive curriculum, and currently under development are Trust principles for assessment and Trust principles for literacy.

The collaboration days have also created opportunities to listen and hear colleagues bringing thoughts and ideas for change, this has been followed up through our online Trust networking opportunities that take place twice per term. The professional learning packages provided for schools have been shaped and adapted as a result of deep listening, thinking and collaboration. The professional learning offer directly impacts on learners' attitudes, behaviours, knowledge and skill sets. This offer has been rich and responsive.

3. Connecting With Our Community

Funding - It has been another successful year for the Trust, winning funding applications to further develop our school's provision and facilities. In total over £240,000 has been brought into the Trust from numerous funders that include Sport England, the National Lottery Fund, and the Department for Education. Projects that have been possible this year include an outdoor gym at Longlands Primary School, new Duke of Edinburgh equipment and tents for Shrewsbury Academy students and a unique outdoor table tennis classroom at Grange Primary School. Marches Academy Trust have continued to build a strong HAF provision across Shropshire, Telford & Wrekin and are now the biggest provider across the region. Shropshire Council and Telford & Wrekin Council have funded the Trust for the next 16 months to run a provision.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Physical Education and School Sport - Our varsity programme has grown significantly over the past 12 months with students from both primary and secondary continuing to be involved in competitions along with our Sixth Form students for the first time. Activities have included rowing, volleyball, fives, football, and a dance festival. In total over 350 students have been involved in these events over the past year. These events would not have been possible without the continued support from Shrewsbury School, who hosted these events at no cost to the Trust. Our buy in offer has been developed and has grown remarkably over the past year with our programme now supporting over 20 primary schools across Shropshire. Our redeveloped programmes include CPD, PE Coaching and curriculum support.

4. Sustainable Future

Sustainability has been at the forefront of our Trust Shared Services PD days this year and at the end of the Spring term we released the Trust's CSR (Collective Social Responsibility) statement:

"Working today to protect tomorrow".

Across the Trust, our family of schools are engaging in a number of sustainability projects including students looking at how to reduce their carbon footprints, encouraging the reduction in energy use in their schools and challenging improvements to waste management. The Shared Services team have also launched several projects, focusing on zero food waste, digital sustainability, thermo zoning, give back projects and Trust recycling of resources.

During the year the Trust has continued to invest in its school sites and facilities to ensure that they are fit for the future. This has included a new, two classroom build at Lower Heath Primary School to increase their pupil capacity, relocation and improvement of facilities of the Early Years provisions at both Grange Primary School and Longlands Primary School, continued enhancements to windows, roofing, heating systems, fire doors and IT infrastructure at The Grove School, Tilstock Primary, Oakmeadow Primary School and Woodlands School.

a. Key performance indicators

The Trust has a number of key performance indicators used to monitor the performance of its schools. These are recorded in the Trust's schools overview file and reported to local governing bodies and Trustees through the Educational Standards Committee. Headteachers report on a regular basis their school's results as part of the Trust's termly Executive Reviews.

The main key financial performance indicator is the level of reserves at the balance sheet date. In the year under review, unrestricted reserves totalled £814,700 (2022: £960,485) and restricted reserves (excluding the pension deficit) were £37,242,068 (2022: £36,951,541).

In the coming year, KPI reporting is being developed further within our central team functions. This will enable further reporting to our Trustees of central team performance and efficiencies.

b. Going concern

After making appropriate inquiries, the Board of Trustees has a reasonable expectation that the 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Financial review

Most of the Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of these grants are restricted to their particular purpose. The grants received from the DfE during the year ended 31st of August 2023 and their associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE (SCA and DFC) which are also shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the fixed assets concerned, as defined in the Trust's accounting policies.

During the year, some Trust schools have invested some of their revenue reserve balances in the improvement of their school facilities. This has enabled the creation of space for future growth, improved school environments and enhanced spaces for learning and recreational activities. This is shown within the transfers made between restricted funds and restricted fixed assets funds in the funds notes of these finance statements.

The Trust's central reserves have also been used in the year in continuing to improve the educational standards and outcomes across the Trust's family of schools. This investment includes the costs of providing ECT teachers to some schools, supporting Headteacher and staff coaching and CPD opportunities, peer reviews with other multi Academy Trusts and the continued investment in the Trust's school improvement team and central team's systems and processes. Trust Headteacher conferences and the annual Trust conference have continued and have been covered by the Trust's central budget. There has also been funds used for annual governance reviews for each school's local governing body (LGB) funded by the Trust in order to quality assure their constitution and focus.

The Trust has taken on the deficit in the Local Government Pension Scheme (LGPS) in respect of its non teaching staff transferred on conversion. This deficit is incorporated within the Statements of Financial Activity with details in the notes to the financial statements.

The Trust has achieved a small revenue deficit in the year of £45,453 (2022: surplus £154,357) and capital surplus of £79,673 (2022: £856,725). Total movement in capital and revenue funds in the year therefore was £37,219 (2022: £1,011,082). The total movement in funds was £4,227,742 which includes the actuarial gain on the LGPS scheme of £4,345,000.

Net current assets have decreased to £2,232,717 (2022: £2,443,777) due to the investment in the year into fixed assets and the small revenue deficit. Larger unspent capital monies that had been carried forward in the prior year which have now been utilised in the fixed asset projects completed during 2023-2024. The capital additions have been made to support the Trust's growth and future plans across it's schools.

The sector continues to face challenging financial circumstances and therefore the Trust continues to review its financial position on a regular basis throughout the year. In addition, regular reviews are completed on Trust spending to ensure value for money is always achieved. Central Trust procurement has increased during 2022-2023 and will continue to widen in 2023-2024 as the Trust utilises its buying power in achieving economies of scale.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

a. Reserves policy

As a charitable organisation, the Trust should have a reserves policy which considers the need to hold surplus funds in reserve and the appropriate level of reserves. The Trust Board is responsible for the efficient and effective use of financial resources and ensuring the Trust remains financially viable. During 2022-2023 the Trust's reserves policy has been reviewed by Trustees and updates made to support the current external environment and circumstances the Trust is faced with.

There is a fine balancing act to ensure that the Trust has sufficient reserves to cope with unforeseen circumstances and working capital requirements against the desire to spend the maximum sums to impact upon pupil outcomes.

Reserves will be considered on a school by school basis and at Trust level. Schools should ensure that sufficient reserves are in place to achieve a balanced budget over a three-year period. Investment of reserves should be considered in the context of each school, its needs and priorities within its own school's development plan. Investment of reserves should not create any additional recurring costs such as permanent staffing contracts or commitments repayments.

Taking into account the future plans of the Trust, the Trustees review the Trust's reserves on a regular basis. This is to not only ensure the sustainability of the Trust but also to ensure the funds are in place to meet the Trusts objectives, strategic priorities, growth plans and commitments. Consideration is also given to those future income streams that remain uncertain as well as those expenditure items that are expectant to increase at a greater rate to that of income.

The net movement in funds during the year was £4,227,742. Excluding actuarial pension movements, the net movement in funds was a deficit of £117,258.

The Trusts free reserves as at the 31 August 2023 is £814,700 (2022: £960,845) and available for general purposes of the Trust. Restricted funds excluding the pension reserves is £961,783 (2022: £878,341).

b. Investment policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. All funds surplus to immediate requirement are invested to optimum effect. On a daily basis this is achieved by an automatic transfer of surplus funds to overnight deposit into a higher rate savings account.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

c. Principal risks and uncertainties

The Audit and Risk committee is responsible for reviewing the major risks to which the Trust is exposed together with the controls that have been put in place to mitigate those risks. The risk register is a standard meeting agenda point at these committee meetings.

The principal risks and uncertainties facing the Trust are as follows:

Financial - Funding has created many constraints on schools over this academic year; staffing has had to be reviewed and yet again education is being asked to do more with less. The Trust is reliant on continued government funding provided by the ESFA. The recent announcements from Government suggests that schools will receive increased funding levels in 2023-2024 via grants such as the main stream additional grants (MSAG) and teachers pay grants. These are required to meet the inflationary cost pressures experienced in respect of pay awards, inflation rates and continued greater reliance on the sector offering services beyond the core educational purposes to ensure wellbeing and safeguarding measures are achieved.

Reputational - the continuing success of the Trust and its schools are dependent on continuing to attract applicants in sufficient numbers by maintaining high educational standards and ensuring strong links with the communities that the Trust serves across its family of schools. To mitigate this risk, Trustees place a key emphasis on monitoring educational outcomes and the Trust has an in house quality assurance team to help schools in maintaining the highest quality standards.

Safeguarding and child protection - the Trust recognises the risk of safeguarding and child protection issues. This is mitigated by ensuring all staff appointments follow a thorough vetting procedure, all staff are trained in safeguarding and child protection policies and receive an update at least annually. The Audit & Risk Committee programme of works includes a review of safeguarding arrangements.

Staffing - the success of the Trust is reliant on the quality of the staff it is able to attract, develop and retain. The Trustees monitor and review all staffing policies and procedures on a routine basis. The Trust also undertakes an annual staff survey with results and actions reviewed by Trustees and the executive team. The Trust's strategic priorities identifies 'People First' as one of its priorities and continues to strive to be the employer of choice.

Fraud and cyber security - the Trust recognises the potential size and impact of the risk from fraudulent actions. Throughout the year all staff have received various cybersecurity training and various briefings on current cyber security issues. As part of its internal audit programme of work the Trust has received internal scrutiny on cyber security with appropriate recommendations being made. The Trust prioritises cybersecurity through advanced measures, including firewalls, regular audits, and staff training, ensuring a secure digital learning environment and promoting responsible online behaviour.

During the year, the Trust has worked considerably on an updated risk register that has been discussed and finalised by Trustees. This is now reviewed on a regular basis by the Audit and Risk Committee and is treated as a live document that is updated as required throughout the year. This risk register drives the programme of internal audit assurance work that is carried out each year and is reported back into the Audit and Risk Committee on a timely basis.

The Board of Trustees recognises that the defined pension scheme deficit (LGPS) which is set out in the notes to these financial statements, represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments and deficit contribution payments for the foreseeable future, this risk from this liability is minimised.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Energy reporting

UK Greenhouse gas emissions and energy use data for the year 1 September 2022 to 31 August 2023

Energy consumption used calculate emission (kWh)	2023
Energy consumption breakdown (kWh)	
Gas	3,590,898
Electricity	1,078,453
Transport fuel (owned vehicles)	170,202
Transport fuel (staff claims)	65,646
Total consumption	4,905,199
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	655
Owned transport	42.68
Total scope	697.68
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	223
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	15.26
Total gross emissions in metric tonnes CO2e	935.94
Intensity ratio	
Tonnes CO2e per pupil	0.19

Quantification and reporting methodology

In order to provide the above results, we have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the Greenhouse Gas Protocol (GHG) Reporting Protocol- Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. The Government's, "Streamlined Energy and Carbon Reporting (SECR) for Academy Trusts" guidance has also been referred to.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Our schools have continued to be challenged this year to reduce the energy consumption by 20%. Throughout the year continued improvements have been made in improving efficient lighting with the installation of LED options taken. The replacement of school windows has resulted in efficient energy savings through improved thermal efficiency as well as more efficient heating systems and pipework being installed to better retain the heat generated.

Fundraising

The Trust does not use any external fundraisers.

MARCHES ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

The Trust has set its strategic priorities for 2023-2030 as outlined above. This includes priorities to focus on specifically within 2023-2024. This will enable the Trust to move forward in striving to provide outstanding education and improve the outcomes for the students and young people across its family of schools and beyond. To deliver these priorities the Trust will continue to aim to be the employer of choice. Attracting high quality teachers and support staff will enable the delivery of the Trust objectives in line with the Trust development plan to a high standard. High quality recruitment and retention practices will be key to ensure this along with much improved KPI reporting. Talent pathways continue to be developed in order to ensure that we are able to "grow our own", utilising and developing further the great talent already within the Trust.

For 2023-2024 the Trust will continue to explore additional income streams and opportunities available to support our financial stability, whilst engaging with partnerships that support the Trust's values and further utilising the extremely talented and skilled staff within the Trust family.

During 2023-2024 the Trust is seeking to recruit three new Trustees to joining the existing six Trustees on the Board. Formal advertising will take place and opportunity given to existing school Governors to express interest in taking up a new, wider Trust role on the Board of Trustees.

The Trust will continue to receive SCA capital funding in which will be carefully distributed across the Trust schools to ensure that our Trust school's infrastructure are fit for purpose and creates a safe and modern environment for learning and development. The development of the Corndon Crescent site at Shrewsbury Academy has commenced in November 2023 and is set to be completed in 2025. This project is funded and delivered by the Department for Education.

In September 2023, Idsall School (a single academy Trust) joined the Trust. Discussions will continue with other local schools looking to join a Multi Academy Trust and if felt appropriate for both parties will commence further discussions in the process to convert or transfer into Marches Academy Trust in the future.

Funds held as custodian on behalf of others

The Trust and its Trustees do not act as the custodian Trustees of any other charity.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2023 and signed on its behalf by:



Mr A Fry
(Chair of Trustees)

MARCHES ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Marches 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Marches 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 6 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
Mrs C Bennett	6	6
Mrs A Cattermole (Chair of Finance and Operations Committee)	6	6
Mr S Cowper (Chair of Audit and Risk Committee)	5	6
Mrs P Edwards	6	6
Ms S Finch (CEO and Accounting Officer)	6	6
Mr A Fry (Chair)	6	6
Mr M Liquorish (Chair of Educational Standards Committee)	6	6
Mr A Walpole	5	6

The Finance and Operations Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the financial and operational performance of the Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Bennett	4	5
Mrs A Cattermole (Chair of Finance and Operations Committee)	5	5
Mrs P Edwards	4	5
Ms S Finch (CEO and Accounting Officer)	5	5
Mr A Fry (Chair)	5	5
Mr M Liquorish (Chair of Educational Standards Committee)	4	5
Mr A Walpole	4	5

The Audit & Risk Committee is also a sub-committee of the main Board of Trustees. Its purpose is to ensure

MARCHES ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

the Trust has plans and processes in place to mitigate and control the risks to which it is exposed.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Ms S Finch (CEO and Accounting Officer)	5	5
Mrs P Edwards	4	5
Mr M Liquorish (Chair of Educational Standards Committee)	4	5
Mr S Cowper (Chair of Audit and Risk Committee)	5	5
Mr A Walpole	4	5

The Educational Standards Committee is also a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy, practice and performance in relation to curriculum planning, communication, target setting and assesment, examination and all pastoral issues. The committee also monitors staffing, perfromance management and pay progression.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Bennett	5	6
Mrs A Cattermole (Chair of Finance and Operations Committee)	6	6
Mr S Cowper (Chair of Audit and Risk Committee)	5	6
Mrs P Edwards	5	6
Ms S Finch (CEO and Accounting Officer)	6	6
Mr A Fry (Chair)	6	6
Mr M Liquorish (Chair of Educational Standards Committee)	6	6
Mr A Walpole	5	6

MARCHES ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the CEO 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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Review of staffing structures - The Trust continues to maintain a keen focus on the staffing structures in its central service and across its schools. In the year, work has been undertaken to review the use of teaching assistants in a number of our primary schools to ensure resources are allocated effectively.
- Tendering of outsourced catering provision - A tender exercise commenced in 2021/22 to consider the Trust wide requirements for its catering contracts as all schools were using legacy local authority providers and costs were increasing. The tender exercise reduced overall costs for schools providing a guaranteed financial return over the contract term. The new provider commenced service in November 2022.
- Development of in-house IT service - A review of IT services across the Trust identified that schools were all on different systems and networks with multiple providers. A solution was explored with an external provider to consolidate but after a short trial an in-house solution was developed providing a more efficient and response service to Trust schools at a lower costs.

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 Marches Academy Trust for the year 1 September 2022 to 31 August 2023 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- Regular reviews by the Finance and Operations Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- Setting targets to measure financial and other performance
- Delegation of authority and segregation of duties
- Identification and management of risks

The Board of Trustees The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint various external companies to fulfil the role of an internal auditor. External providers and consultants have been engaged within the year to undertake specific programmes of internal insurance work as required by the ESFA's Academy Trust Handbook. In the year this has included reviews of Trust payroll, cyber security and safeguarding. An external expert has also been engaged in the year to complete governance reviews of the Trust school's local governing bodies (LGBs).

The reports and outcomes, including recommendations from these various scrutiny engagements have been reported to Trustees during the year via the Audit and Risk Committee.

Review of effectiveness

As accounting officer, the CEO 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 Audit & Risk Committee
- the work of the external auditor
- The financial management and governance self-assessment process

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

Approved by order of the members of the Board of Trustees and signed on their behalf by:



Mr A Fry
Chair of Trustees



Ms S Finch
Accounting Officer

Date: 11 December 2023

MARCHES ACADEMY TRUST
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STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Marches 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 terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

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 Academy Trust Handbook 2022.

A balanced budget was set for the 2023 year end. Whilst we are satisfied that the budget was scrutinised and approved by the Board of Trustees, there has been no formal minute of the approval of the 2023 year end budget.

During the year there was an isolated incident where alcohol was purchased in contravention of the Trust's policy and the Academy Trust Handbook. Appropriate action has been taken to remind all staff that alcohol cannot be purchased for any reason or circumstance.

With the exception of the above, I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



Ms S Finch
Accounting Officer

Date: 11 December 2023

MARCHES ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Mr A Fry
(Chair of Trustees)

Date: 11 December 2023

MARCHES ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MARCHES ACADEMY TRUST**

Opinion

We have audited the financial statements of Marches Academy Trust (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

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 2023 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

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 Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MARCHES ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MARCHES ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the susceptibility of the Trust's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the Trust's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the Trust and its environment and identify any instances of non-compliance.
- We also assessed the Trust's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and Trust awareness to carry out our work to the required standard.

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

MARCHES ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MARCHES ACADEMY TRUST (CONTINUED)**

Use of our report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

WR Partners
Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

14 December 2023

MARCHES ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MARCHES
ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 April 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Marches Academy Trust during the year 1 September 2022 to 31 August 2023 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 Marches Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Marches Academy Trust and 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 Marches Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Marches Academy Trust's funding agreement with the Secretary of State for Education dated [enter date here] and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 year 1 September 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts Issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MARCHES
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

There was no formal minute to document the Board of Trustees approval of the financial budget for the year ended 31 August 2023.

During the year under review there was an isolated incident where alcohol was purchased in contravention of the Trust's policy and the Academy Trust Handbook. .



Andrew Malpass BA FCA

WR Partners
Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date: 14 December 2023

MARCHES ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	13,159	-	1,589,316	1,602,475	2,150,743
Other trading activities	5	111,357	-	-	111,357	132,746
Investments	6	16,666	-	-	16,666	254
Charitable activities	4	914,532	34,048,521	-	34,963,053	31,897,983
Other income	7	196,840	-	-	196,840	571,996
Total income		1,252,554	34,048,521	1,589,316	36,890,391	34,753,722
Expenditure on:						
Charitable activities		1,371,200	34,126,495	1,509,643	37,007,338	35,208,640
Total expenditure		1,371,200	34,126,495	1,509,643	37,007,338	35,208,640
Net (expenditure)/income		(118,646)	(77,974)	79,673	(116,947)	(454,918)
Transfers between funds	20	-	(127,412)	127,412	-	-
Net movement in funds before other recognised gains		(118,646)	(205,386)	207,085	(116,947)	(454,918)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	27	-	4,345,000	-	4,345,000	13,609,000
Net movement in funds		(118,646)	4,139,614	207,086	4,228,053	13,154,082

MARCHES ACADEMY TRUST
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Reconciliation of funds:					
Total funds brought forward	960,485	(8,802,659)	36,073,200	28,231,026	15,076,944
Net movement in funds	(118,646)	4,139,614	207,085	4,228,053	13,154,082
Total funds carried forward	<u>841,839</u>	<u>(4,663,045)</u>	<u>36,280,285</u>	<u>32,459,079</u>	<u>28,231,026</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 34 to 66 form part of these financial statements.

MARCHES ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07680422

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	36,003,504	35,622,996
		<u>36,003,504</u>	<u>35,622,996</u>
Current assets			
Stocks	16	773	773
Debtors	17	1,955,099	1,802,836
Cash at bank and in hand		3,618,229	3,615,134
		<u>5,574,101</u>	<u>5,418,743</u>
Creditors: amounts falling due within one year	18	(3,341,073)	(2,974,966)
Net current assets		<u>2,233,028</u>	<u>2,443,777</u>
Total assets less current liabilities		<u>38,236,532</u>	<u>38,066,773</u>
Creditors: amounts falling due after more than one year	19	(179,453)	(154,747)
Net assets excluding pension liability		<u>38,057,079</u>	<u>37,912,026</u>
Defined benefit pension scheme liability	27	(5,598,000)	(9,681,000)
Total net assets		<u><u>32,459,079</u></u>	<u><u>28,231,026</u></u>

MARCHES ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07680422

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	20	36,280,285	36,073,200
Restricted income funds	20	934,955	878,341
Restricted funds excluding pension asset	20	<u>37,215,240</u>	<u>36,951,541</u>
Pension reserve	20	<u>(5,598,000)</u>	<u>(9,681,000)</u>
Total restricted funds	20	31,617,240	27,270,541
Unrestricted income funds	20	841,839	960,485
Total funds		<u>32,459,079</u>	<u>28,231,026</u>

The financial statements on pages 29 to 66 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr A Fry
 (Chair of Trustees)

Date: 11 December 2023

The notes on pages 34 to 66 form part of these financial statements.

MARCHES ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	230,118	(3,914,132)
Cash flows from investing activities	24	(284,169)	2,350,533
Cash flows from financing activities	23	57,146	77,032
Change in cash and cash equivalents in the year		3,095	(1,486,567)
Cash and cash equivalents at the beginning of the year		3,615,134	5,101,701
Cash and cash equivalents at the end of the year	25, 26	<u><u>3,618,229</u></u>	<u><u>3,615,134</u></u>

The notes on pages 34 to 66 form part of these financial statements

MARCHES ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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 Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

MARCHES ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

MARCHES ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

MARCHES ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Land and buildings	- land - 125 years, buildings - 50 years, property improvements - 10 years
Furniture and equipment	- 5 years
Computer equipment	- 3 years
Motor vehicles	- 5 years

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.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

MARCHES ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities

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

1.11 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

MARCHES ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

MARCHES ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	13,159	-	13,159	838,321
Capital Grants	-	1,589,316	1,589,316	1,312,422
	<u>13,159</u>	<u>1,589,316</u>	<u>1,602,475</u>	<u>2,150,743</u>
<i>Total 2022</i>	<u>82,729</u>	<u>2,068,014</u>	<u>2,150,743</u>	

MARCHES ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

4. Funding for the Academy Trust's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Education				
DfE/ESFA grants				
General Annual Grant (GAG)	-	27,645,252	27,645,252	26,189,796
Other DfE/ESFA grants				
Pupil Premium	-	1,467,456	1,467,456	1,321,132
Universal Infant Free School Meals (UIFSM)	-	136,517	136,517	48,141
Government - Other Grants	85,887	2,155,688	2,241,575	1,549,540
	<u>85,887</u>	<u>31,404,913</u>	<u>31,490,800</u>	<u>29,108,609</u>
Other Government grants				
High Needs funding	-	1,764,234	1,764,234	1,541,589
Local Authority - Other Grants	-	477,355	477,355	345,420
Other grants	-	261,725	261,725	-
	<u>-</u>	<u>2,503,314</u>	<u>2,503,314</u>	<u>1,887,009</u>
	-	-	-	-
Other funding				
School trips	-	140,294	140,294	-
Catering income	6,113	-	6,113	5,586
Sales to students and wraparound	62,521	-	62,521	23,017
Nursery income	99,438	-	99,438	66,767
Transport income	116,745	-	116,745	90,866
Teacher training and courses	329,025	-	329,025	552,868
Outreach income	214,803	-	214,803	163,261
	<u>828,645</u>	<u>140,294</u>	<u>968,939</u>	<u>902,365</u>
	<u>914,532</u>	<u>34,048,521</u>	<u>34,963,053</u>	<u>31,897,983</u>
Total 2022	<u><u>1,204,016</u></u>	<u><u>30,693,967</u></u>	<u><u>31,897,983</u></u>	

MARCHES ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Lettings	102,120	102,120	121,733
Leisure centre income	9,237	9,237	11,013
	<u>111,357</u>	<u>111,357</u>	<u>132,746</u>
<i>Total 2022</i>	<u>132,746</u>	<u>132,746</u>	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Bank interest receivable	16,666	16,666	254
	<u>254</u>	<u>254</u>	
<i>Total 2022</i>	<u>254</u>	<u>254</u>	

7. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Other income	121,866	121,866	515,506
Staff sickness insurance	74,974	74,974	56,490
	<u>196,840</u>	<u>196,840</u>	<u>571,996</u>
<i>Total 2022</i>	<u>571,996</u>	<u>571,996</u>	

MARCHES ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Education:					
Direct costs	18,911,505	-	2,700,343	21,611,848	20,277,407
Allocated support costs	8,052,501	2,645,859	4,697,130	15,395,490	14,931,233
	<u>26,964,006</u>	<u>2,645,859</u>	<u>7,397,473</u>	<u>37,007,338</u>	<u>35,208,640</u>
<i>Total 2022</i>	<u><u>27,240,866</u></u>	<u><u>3,703,362</u></u>	<u><u>4,264,412</u></u>	<u><u>35,208,640</u></u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Education	21,611,848	15,395,490	37,007,338	35,208,640
<i>Total 2022</i>	<u><u>20,277,407</u></u>	<u><u>14,931,233</u></u>	<u><u>35,208,640</u></u>	

MARCHES ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2023 £	Total funds 2023 £	Total funds 2022 £
Pension finance costs	386,000	386,000	392,000
Staff costs	18,911,505	18,911,505	17,893,375
Educational Supplies	1,018,655	1,018,655	822,672
Examination Fees	398,031	398,031	302,355
Educational Consultancy	16,900	16,900	12,321
Supply teachers	659,693	659,693	681,074
Other Staff Costs	148,693	148,693	133,990
Enrichment costs	72,371	72,371	39,620
	<u>21,611,848</u>	<u>21,611,848</u>	<u>20,277,407</u>
<i>Total 2022</i>	<u>20,277,407</u>	<u>20,277,407</u>	

MARCHES ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	8,052,501	8,052,501	8,666,417
Depreciation	1,509,643	1,509,643	1,211,288
Educational Supplies	18,574	18,574	17,818
Technology Costs	495,930	495,930	390,202
Telephone, printing, postage and stationery	349,165	349,165	357,167
Staff Expenses	116,458	116,458	99,645
Teacher training and courses	162,123	162,123	245,387
Other costs	374,427	374,427	261,470
Rates	206,371	206,371	288,646
Energy	948,471	948,471	480,401
Maintenance of Premises	576,741	576,741	649,593
Cleaning and Caretaking	665,827	665,827	633,538
Security & transport	248,449	248,449	188,885
Transport	348,333	348,333	354,096
Catering	660,217	660,217	449,629
Legal and Professional	628,966	628,966	591,882
Bank charges	3,678	3,678	2,777
Governance	29,616	29,616	42,392
	<u>15,395,490</u>	<u>15,395,490</u>	<u>14,931,233</u>
<i>Total 2022</i>	<u>14,931,233</u>	<u>14,931,233</u>	

MARCHES ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2023 £	2022 £
Operating lease rentals	137,174	217,736
Depreciation of tangible fixed assets	1,509,643	1,211,287
Fees paid to auditors for:		
- audit	17,250	23,215
- other services	6,750	1,995
	1,667,817	1,464,233

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	20,416,811	19,066,105
Social security costs	2,042,449	1,910,998
Pension costs	4,502,447	5,478,528
	26,961,707	26,455,631
Agency staff costs	659,980	681,074
Staff restructuring costs	2,299	104,161
Apprenticeship levy	87,694	80,781
	27,711,680	27,321,647

Staff restructuring costs comprise:

	2023 £	2022 £
Redundancy payments	2,299	104,161
	2,299	104,161

During the year, the Academy Trust made redundancy payments totalling £2,299 to 1 employee (2022: £104,161).

MARCHES ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. Staff (continued)

b. Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2023	2022
	No.	No.
Teachers	330	321
Administration and support	358	368
Management	15	15
	703	704

c. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	18	12
In the band £70,001 - £80,000	6	4
In the band £80,001 - £90,000	3	2
In the band £90,001 - £100,000	2	4
In the band £100,001 - £110,000	1	1
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	-

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £643,155 (2022 - £677,004).

MARCHES ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. Central services

The Academy Trust has provided the following central services to its academies during the year:

- Payroll & HR
- Legal & professional
- Finance
- Insurance
- Marketing and communications
- School improvement support
- Governance

The Academy Trust charges for these services on the following basis:

5% of GAG income

The actual amounts charged during the year were as follows:

	2023 £	2022 £
The Marches School	404,142	386,206
Sir John Talbot's School	230,937	208,043
Tilstock C of E Primary School	24,645	20,266
The Grove School	247,969	223,201
Lower Heath C of E Primary School	27,118	22,983
Grange Primary School	48,221	49,938
Shrewsbury Academy	253,102	231,891
Longlands Primary School	49,143	47,990
Oakmeadow C of E Primary and Nursery School	92,921	81,301
Woodlands School	46,247	41,500
Total	1,424,445	1,313,319

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2023 £	2022 £
Ms S Finch (CEO and Accounting Officer)	Remuneration	155,000 - 160,000	145,000 - 150,000
	Pension contributions paid	nil	5,000 - 10,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

13. Trustees' remuneration and expenses (continued)

During the year ended 31 August 2023, expenses totalling £153 were reimbursed or paid directly to 1 Trustee (2022 - £510 to 1 Trustee).

14. Trustees' and Officers' insurance

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or emissions occurring whilst on academy business, and provides cover up to £10,000,000 on any one claim. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA membership scheme.

15. Tangible fixed assets

	Land and buildings £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2022 (as restated)	40,802,795	464,226	58,878	790,450	-	42,116,349
Additions	1,688,782	50,500	38,624	41,702	70,543	1,890,151
Transfers between classes	464,226	(464,226)	-	-	-	-
At 31 August 2023	<u>42,955,803</u>	<u>50,500</u>	<u>97,502</u>	<u>832,152</u>	<u>70,543</u>	<u>44,006,500</u>
Depreciation						
At 1 September 2022 (as restated)	5,919,946	-	31,694	541,713	-	6,493,353
Charge for the year	1,354,384	-	14,401	135,312	5,546	1,509,643
At 31 August 2023	<u>7,274,330</u>	<u>-</u>	<u>46,095</u>	<u>677,025</u>	<u>5,546</u>	<u>8,002,996</u>
Net book value						
At 31 August 2023	<u><u>35,681,473</u></u>	<u><u>50,500</u></u>	<u><u>51,407</u></u>	<u><u>155,127</u></u>	<u><u>64,997</u></u>	<u><u>36,003,504</u></u>
At 31 August 2022	<u><u>34,882,849</u></u>	<u><u>464,226</u></u>	<u><u>27,184</u></u>	<u><u>248,737</u></u>	<u><u>-</u></u>	<u><u>35,622,996</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Stocks

	2023	2022
	£	£
Finished goods and goods for resale	773	773
	<u>773</u>	<u>773</u>

17. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	199,258	382,802
Other debtors	218,653	34,692
Prepayments and accrued income	1,073,720	954,755
Tax recoverable	463,468	430,587
	<u>1,955,099</u>	<u>1,802,836</u>

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18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	71,439	38,999
Trade creditors	1,232,227	1,163,337
Other taxation and social security	861,007	425,456
Other creditors	252,272	645,407
Accruals and deferred income	924,128	701,767
	3,341,073	2,974,966
	2023 £	2022 £
Deferred income at 1 September 2022	154,591	123,395
Resources deferred during the year	486,326	154,591
Amounts released from previous periods	(154,591)	(123,395)
	486,326	154,591

Included within deferred income are amounts received in respect of rates income, Universal Infant Free School Meals, early years funding and outreach services relating to the 2023/24 accounting period.

19. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other loans	179,453	154,747
	179,453	154,747

Included in other loans are amounts owed to the ESFA with a balance due at 31 August of £250,892 (2022 : £193,746). The loans are repayable in equal installments over a maximum period of 6 years. No interest is charged on the loans.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

20. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General funds	960,485	1,252,554	(1,371,200)	-	-	841,839
Restricted general funds						
GAG	878,341	27,645,252	(27,461,226)	(127,412)	-	934,955
High Needs Funding	-	1,764,234	(1,764,234)	-	-	-
Pupil Premium (PP)	-	1,467,456	(1,467,456)	-	-	-
Other Grants	-	3,171,579	(3,171,579)	-	-	-
Pension reserve	(9,681,000)	-	(262,000)	-	4,345,000	(5,598,000)
	<u>(8,802,659)</u>	<u>34,048,521</u>	<u>(34,126,495)</u>	<u>(127,412)</u>	<u>4,345,000</u>	<u>(4,663,045)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted fixed asset funds						
Fixed assets on Conversion	20,412,228	-	(470,583)	-	-	19,941,645
Purchases from GAG and restricted funds	734,837	-	(98,449)	417,634	-	1,054,022
ESFA capital grants	6,860,094	1,144,065	(722,223)	3,397	-	7,285,333
DFC	504,885	445,251	(57,478)	(293,619)	-	599,039
Building refurbishment grant	93,172	-	(3,128)	-	-	90,044
Purchases from general funds	108,425	-	(5,415)	-	-	103,010
Transferred from a previous MAT	7,291,291	-	(147,995)	-	-	7,143,296
EIG Grants	68,268	-	(4,372)	-	-	63,896
	<u>36,073,200</u>	<u>1,589,316</u>	<u>(1,509,643)</u>	<u>127,412</u>	<u>-</u>	<u>36,280,285</u>
Total Restricted funds	<u>27,270,541</u>	<u>35,637,837</u>	<u>(35,636,138)</u>	<u>-</u>	<u>4,345,000</u>	<u>31,617,240</u>
Total funds	<u><u>28,231,026</u></u>	<u><u>36,890,391</u></u>	<u><u>(37,007,338)</u></u>	<u><u>-</u></u>	<u><u>4,345,000</u></u>	<u><u>32,459,079</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds (continued)

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

Restricted general funds

General Annual Grant (GAG) - income in restricted funds relates to the general grant which is provided to the Academy Trust by the ESFA in order to fund the day-to-day operations of the Academy Trust.

High Needs Funding - income in restricted grants relates to funding provided by Shropshire Council for the Academy Trust to provide additional support to pupil with high needs.

Pupil Premium (PP) - income in restricted grants relates to funding provided by the ESFA for the Academy Trust to provide additional support to pupils from low income families.

Other grants - income which has been received for specific purposes from the ESFA or Local Authority.

Pension reserve - this represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme.

Restricted fixed asset funds

Fixed assets on Conversion - this represents the buildings and equipment donated to the Academy Trust from the Local Authority on conversion to an academy.

Purchases from GAG and other restricted funds - this represents capital assets that have been purchased out of GAG and other restricted funding.

ESFA capital grants - this represents restricted grants provided the the Academy Trust from the Academies Capital Maintenance Fund to be used for the building work on a new sixth form building.

DFC - Devolved Formula Capital funding, which consists of restricted grants relating to funding provided by the ESFA for the Academy Trust to use for the purchase or maintenance of fixed assets.

Building refurbishment grant - this is a restricted grant towards the cost of refurbishing an adjoining property for use as an educational facility.

Purchases from general funds - this represents capital assets that have been purchased out of unrestricted general funds.

EIG Grants - this represents capital funding to improve educational outcomes.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
General funds	893,627	1,991,741	(1,924,883)	-	-	960,485
Restricted general funds						
GAG	1,206,336	26,189,796	(26,102,298)	(415,493)	-	878,341
High Needs Funding	-	1,541,589	(1,541,589)	-	-	-
Pupil Premium (PP)	-	1,321,132	(1,321,132)	-	-	-
Other Grants	-	1,641,450	(1,641,450)	-	-	-
Pension reserve	(21,824,000)	-	(1,466,000)	-	13,609,000	(9,681,000)
	<u>(20,617,664)</u>	<u>30,693,967</u>	<u>(32,072,469)</u>	<u>(415,493)</u>	<u>13,609,000</u>	<u>(8,802,659)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Restricted fixed asset funds						
Fixed assets on Conversion	20,771,476	80,000	(439,249)	-	-	20,412,227
Purchases from GAG and restricted funds	30,944	-	(19,430)	723,323	-	734,837
ESFA capital grants	6,420,189	1,192,569	(531,800)	(220,864)	-	6,860,094
DFC	527,235	119,853	(55,236)	(86,966)	-	504,886
Building refurbishment grant	96,300	-	(3,128)	-	-	93,172
Purchases from general funds	113,840	-	(5,415)	-	-	108,425
Transferred from a previous MAT	6,768,357	675,592	(152,658)	-	-	7,291,291
EIG Grants	72,640	-	(4,372)	-	-	68,268
	<u>34,800,981</u>	<u>2,068,014</u>	<u>(1,211,288)</u>	<u>415,493</u>	<u>-</u>	<u>36,073,200</u>
Total Restricted funds	<u>14,183,317</u>	<u>32,761,981</u>	<u>(33,283,757)</u>	<u>-</u>	<u>13,609,000</u>	<u>27,270,541</u>
Total funds	<u><u>15,076,944</u></u>	<u><u>34,753,722</u></u>	<u><u>(35,208,640)</u></u>	<u><u>-</u></u>	<u><u>13,609,000</u></u>	<u><u>28,231,026</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
The Marches School	188,570	270,883
Sir John Talbot's School	(94,019)	(80,509)
Tilstock C of E Primary School	13,628	4,500
The Grove School	474,684	524,495
Lower Heath C of E Primary School	26,952	15,914
Shrewsbury Academy	598,272	455,299
Longlands Primary School	24,227	(29,271)
Grange Primary School	(13,599)	6,368
Oakmeadow Church of England Primary and Nursery School	248,089	186,264
Woodlands School	6,341	5,792
Central	303,338	479,091
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,776,483	1,838,826
Restricted fixed asset fund	36,280,285	36,073,200
Pension reserve	(5,598,000)	(9,681,000)
	<hr/>	<hr/>
Total	32,458,768	28,231,026

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Sir John Talbot's School	94,019
Grange Primary School	13,599
	<hr/>

The Academy Trust is taking the following action to return the academies to surplus:

The figures for the above two schools that have reported deficit reserve positions as at 31 August 2023 have been reviewed and reforecast to ensure that these deficits are cleared within the 2023/24 year. This will continue to be monitored closely throughout the year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
The Marches School	5,472,447	1,315,203	414,273	1,192,838	8,394,761	7,857,796
Sir John Talbot's School	3,169,360	1,056,358	324,042	801,431	5,351,191	4,862,096
Tilstock C of E Primary School	243,122	258,561	34,581	92,695	628,959	562,777
The Grove School	2,915,239	1,029,227	272,930	892,932	5,110,328	4,404,341
Lower Heath C of E Primary School	325,869	199,339	53,823	108,605	687,636	617,790
Shrewsbury Academy	2,986,791	764,742	439,027	984,714	5,175,274	4,691,528
Longlands Primary School	493,279	586,945	61,884	227,318	1,369,426	1,326,037
Grange Primary School	502,749	419,687	52,624	280,780	1,255,840	1,280,262
Oakmeadow Church of England Primary and Nursery School	888,709	894,298	226,949	295,406	2,305,362	2,121,115
Woodlands School	929,964	391,859	196,864	256,603	1,775,290	1,908,690
Central	983,976	1,136,282	237,346	700,335	3,057,939	2,898,920
Academy Trust	18,911,505	8,052,501	2,314,343	5,833,657	35,112,006	32,531,352

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NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	36,003,504	36,003,504
Current assets	849,001	4,197,427	527,673	5,574,101
Creditors due within one year	(7,162)	(3,262,472)	(71,439)	(3,341,073)
Creditors due in more than one year	-	-	(179,453)	(179,453)
Provisions for liabilities and charges	-	(5,598,000)	-	(5,598,000)
Total	841,839	(4,663,045)	36,280,285	32,459,079

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	35,622,996	35,622,996
Current assets	960,485	3,655,552	802,706	5,418,743
Creditors due within one year	-	(2,622,464)	(352,502)	(2,974,966)
Creditors due in more than one year	-	(154,747)	-	(154,747)
Provisions for liabilities and charges	-	(9,681,000)	-	(9,681,000)
Total	960,485	(8,802,659)	36,073,200	28,231,026

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of financial activities)	(116,947)	(454,918)
Adjustments for:		
Depreciation	1,509,643	(2,915,702)
Capital grants from DfE and other capital income	(1,589,316)	(1,312,422)
Interest receivable	(16,666)	(254)
Defined benefit pension scheme cost less contributions payable	(124,000)	1,105,000
Defined benefit pension scheme finance cost	386,000	361,000
Increase in debtors	(152,263)	(488,311)
Increase in creditors	333,667	547,067
Donation of new site	-	(755,592)
Net cash provided by/(used in) operating activities	230,118	(3,914,132)

23. Cash flows from financing activities

	2023 £	2022 £
Cash inflows from new borrowing	20,750	128,251
Repayments of borrowing	(71,439)	(51,219)
Adjustments to the carrying amounts of borrowing	107,835	-
Net cash provided by financing activities	57,146	77,032

24. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	16,666	254
Purchase of tangible fixed assets	(1,890,151)	(4,469,131)
Proceeds from the sale of tangible fixed assets	-	4,751,396
Capital grants from DfE Group	1,589,316	1,312,422
Donation of new site	-	755,592
Net cash (used in)/provided by investing activities	(284,169)	2,350,533

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	3,618,229	3,615,134
Total cash and cash equivalents	3,618,229	3,615,134

26. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	3,615,134	3,095	3,618,229
Debt due within 1 year	(38,999)	(32,440)	(71,439)
Debt due after 1 year	(154,747)	(24,706)	(179,453)
	3,421,388	(54,051)	3,367,337

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27. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £368,322 were payable to the schemes at 31 August 2023 (2022 - £484,765) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £3,175,969 (2022 - £2,941,705).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

27. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,743,000 (2022 - £1,624,000), of which employer's contributions totalled £1,394,000 (2022 - £1,320,000) and employees' contributions totalled £349,000 (2022 - £304,000). The agreed contribution rates for future years are 17.2 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	4.05	4.05
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	5.30	4.30
Inflation assumption (CPI)	2.80	2.80

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	21.7	22.9
Females	24.1	25.1
<i>Retiring in 20 years</i>		
Males	23.0	24.1
Females	25.9	26.7

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Sensitivity analysis

	2023 £000	2022 £000
Discount rate +0.1%	3,801	21,317
Mortality assumption - 1 year increase	5,999	22,212
CPI rate +0.1%	6,563	22,222

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	At 31 August 2023 £	At 31 August 2022 £
Equities	7,380,000	5,703,000
Property	467,000	520,000
Cash and other liquid assets	198,000	242,000
Other bonds	2,475,000	2,332,000
Other	3,620,000	3,287,000
Total market value of assets	14,140,000	12,084,000

The actual return on scheme assets was £184,000 (2022 - £(46,000)).

The amounts recognised in the Statement of Financial Activities are as follows:

	2023 £	2022 £
Current service cost	1,223,000	(2,334,000)
Interest income	653,000	165,000
Interest cost	(939,000)	(557,000)
Administrative expenses	(47,000)	(31,000)
Total amount recognised in the Statement of Financial Activities	790,000	(2,757,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	21,765,000	32,692,000
Current service cost	1,223,000	2,394,000
Interest cost	939,000	557,000
Employee contributions	349,000	304,000
Actuarial gains	(4,358,000)	(13,851,000)
Benefits paid	(180,000)	(331,000)
At 31 August	19,738,000	21,765,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2023 £	2022 £
At 1 September	12,084,000	10,868,000
Interest income	553,000	196,000
Actuarial losses	(13,000)	(242,000)
Employer contributions	1,394,000	1,320,000
Employee contributions	349,000	304,000
Benefits paid	(180,000)	(331,000)
Administration expense	(47,000)	(31,000)
At 31 August	14,140,000	12,084,000

28. Operating lease commitments

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	126,416	137,174
Later than 1 year and not later than 5 years	309,113	80,615
	435,529	217,789

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Academy Trust 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.

30. Related party transactions

Owing to the nature of the Academy Trust 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Academy Trust engaged Pop Creative to carry out web design. Pop Creative is a connected party by virtue of the Director of the company being the husband of a Member of the Academy Trust. The value of the purchases in the year was £17,160 (2022: £19,116) with a balance outstanding at the year end of £nil (2022: £1,560).

The Academy Trust paid expenses of £1,908 (2022: £611) during the year to the Lichfield Diocese. The nature of this expenditure was for support services that were part of a diocesan service agreement. The Lichfield Diocese is connected by virtue of the Church of England Central Educational Trust being a member of Marches Academy Trust. The balance outstanding at the year end was £nil (2022: £nil).

The Academy Trust received income of £7,045 (2022: £7,900) during the year from Whitchurch Hockey Club. The nature of this income was for sports facilities use. Whitchurch Hockey Club is connected by virtue of a Trustee being the Chair of the hockey club. The balance owed at the year end was £nil (2022: £850).

31. Post balance sheet events

On 1 September 2023, Idsall School (a single academy Trust) joined the Trust. The assets and liabilities of Idsall School have transferred to the Trust at this date.

32. Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year the Trust brought forward funds of £35,392 (2022: £516), received £33,735 (2022: £37,814) and disbursed £12,974 (2022: £11,966) from the fund. An amount totalling £56,153 (2022: 35,392) is included within other creditors relating to undistributed funds that are to be carried forward for distribution in the following accounting period.