

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016



**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members	L Bolton J Clark M Jacob R Quick T Wright
Trustees and Directors	L Bolton, Executive Headteacher ¹ M Jacob, Chair of Trustees T Boulton C Checkley (appointed 24 September 2015) ¹ J Clark P Finn ¹ N Henderson H Holland E Holton R Quick ¹ T Wright ¹ Resources Committee
Company registered number	08024396
Company name	The Mead Academy Trust
Principal and registered office	The Mead Community Primary School Hackett Place Hilperton Trowbridge Wiltshire BA14 7GN
Strategic leadership group	L Bolton, Executive Headteacher L Palmer, Head of Teaching School K Jamieson, Head of Inclusion/SEN E Holton, Head of The Mead School T Boulton, Head of Castle Mead School N Henderson, Head of River Mead School G Shanahan, School Business Manager S Pedler, School Business Manager H Wallace, School Business Manager K Thain, School Business Manager

**THE MEAD ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
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Bankers	Lloyds Bank 64 Fore Street Trowbridge Wiltshire BA14 8EU
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Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS
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**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operated three primary academies in FY15/16 operating across four sites, incorporating two nurseries, a Complex Needs Resource Base and The Mead National Teaching School. The TMAT academies had a combined PAN (planned admission number) of 150 in 2015/16 and had a roll of 887 pupils (Years R - 6) as at July 2016, with an additional 83 children in nursery provision. The split of pupils per Academy was as follows:

The Mead Community Primary School	Total on roll = 511		
	Hilperton	PAN = 60	On roll = 429
	Wingfield	PAN = 15	On roll = 82
River Mead School	Total on roll = 235	PAN = 45	
	River Mead Nursery		On roll = 16
	River Mead School (YR-Y6)		On roll = 201
	River Mead Resource Base		On roll = 18
Castle Mead School	Total on roll = 187	PAN = 30	
	Castle Mead Nursery		On roll = 65
	Castle Mead School (YR-Y6)		On roll = 122

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of The Mead Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Mead Academy Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The limit of liability in respect of each Academy is £5,000,000 on any one claim.

**THE MEAD ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 May 2012 the Trustees appointed some of those that served the predecessor school (The Mead Community Primary School) to be Trustees of the newly formed Multi Academy Trust.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 3 Trustees who are appointed by Members;
- Staff Directors – provided that the total number of Trustees including the Chief Executive Officer, who are employees of the Company does not exceed one third of the total number of Trustees;
- Academy Trustees appointed under Article 51 or Article 52 (from Advisory Bodies – Local Governing Bodies);
- The Chief Executive Officer (Executive Headteacher), who is treated for all purposes as being an ex officio Governor;
- A minimum of 2 Parent Trustees who are elected or appointed from amongst the number of parent members of the Local Governing Bodies;
- Up to 1 Trustees appointed under Article 50AA by the Diocese of Salisbury Educational Trust; and
- Up to 3 Co-opted Trustees (not an employee if the number of Directors exceeds one third of the total number of Trustees, including the Chief Executive Officer).

When appointing new Trustees, the Board gives 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 Academy Trust's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training programme.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of one of the Academy schools and a chance to meet 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 two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other providers.

There is a Governance Development Day organised each year which includes training sessions to keep the Board members updated on relevant developments impacting on their roles and responsibilities. Local Governing Bodies also hold a Governors' Day each year for each of the 3 Academies.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy Trust and determines membership, 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 limited timescale.

The Board of Trustees has one subordinate committee which is the Resources Committee. This meets as scheduled six times a year, with additional meetings as necessary. The Resources Committee is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with regulatory requirements and reporting, receiving scrutiny reports from the service providers, Wiltshire Council Accounting and Business Support Team, and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

Each Academy within the Trust also has a Local Governing Body that reports to the Board of Trustees.

**THE MEAD ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Executive Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Members and Board of Trustees have devolved responsibility for day to day management of the Academy Trust to the Executive Headteacher and the Strategic Leadership Group (SLG). The SLG comprises the Executive Headteacher, Heads of School, Deputy Head Teachers, Head of Teaching School, Head of Inclusion, Senior Teachers and the School Business Managers. The SLG implement the policies laid down by the Trustees and report back to them on performance.

The Academy Trust has a leadership structure which consists of the Trustees, The Senior Leadership Group and Subject Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Strategic Leadership Group (SLG) controls the Academy Trust at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Executive Headteacher, School Business Managers and the Resources Committee, are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Finance Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Finance Scheme of Delegation. The Executive Head Teacher/Heads of School are responsible for the appointment of staff, though appointment panels for leadership posts always include a Trustee.

The Executive Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings and in line with the agreed Performance Management procedures. The Executive Headteachers Performance Management is carried out by a Sub-committee of 3 Directors and any associated pay increases agreed by Resources Committee and Board of Directors.

The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles adjusting for a weighting for any additional responsibilities.

Connected Organisations, including Related Party Relationships

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

**THE MEAD ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

OBJECTIVES AND ACTIVITIES

Objects and Aims

At The Mead Academy Trust our purpose is:

- To work and learn together as a family of schools where staff work for and on behalf of each other;
- To ensure our schools are places where there are expectations of excellence, where individuals are valued, achievements celebrated and where children are happy and safe;
- To establish a community where children and staff enjoy coming to school every day and take pride in moving their schools ever forward;
- To encourage, support and develop every child so that they reach their full potential; and
- To prepare children to live responsibly and peacefully in the spirit of understanding, tolerance, equality and friendship.

The aims of The Mead Academy Trust during the year ended 31 August 2016 are summarised below:

- To expand the trust to include the running of three Academies;
- To establish an effective new provision primary school at Castle Mead, with nursery;
- To secure rapid improvement at River Mead School (formerly Kings Park Academy School) from an inadequate Ofsted category;
- To continue to raise the standard of educational attainment and achievement of all pupils;
- To provide a broad and balanced curriculum, including extra-curricular activities;
- To develop children to be more effective learners;
- To develop the Trust sites so that they enable students to achieve their full potential;
- To ensure that every child enjoys the same high quality education in terms of resourcing, personalised learning and care;
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To fulfil the role of a Teaching School;
- To ensure effective professional learning from ITE through to Leadership development;
- To develop greater coherence, clarity and effectiveness in school systems within and between Trust schools;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with the local community, industry and commerce;
- To develop the Trusts capacity to manage change; and
- To conduct the Trusts business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

Key priorities, activities and targets were identified in each school's Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy in 2015/2016, including changes to the curriculum, assessment and SEN.

Trust Improvement focuses identified for the year included:

- Securing an improvement in Ofsted grading at River Mead school (Achieved July 2016 – school moved from inadequate (serious weaknesses) category to Requires Improvement category);
- Securing an extension to new provision (with purpose built nursery), at Castle Mead School;
- Securing re-designation of The Mead Teaching School at its 4 year review; and
- Establishing effective leadership and management structures as The Trust moves to a new phase as a group of three schools (across four sites).

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Public Benefit

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

The Trust provides facilities, at a reasonable cost, 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 of the said community.

As a Trust we have a duty to support other schools. We are a National Teaching School and support other schools and Academies as required.

STRATEGIC REPORT

Achievements and Performance

The Trust is in its fourth year and has grown from one Academy to now include three.

- The Mead Community Primary School is usually oversubscribed and has been awarded successive outstanding grades by Ofsted;
- Castle Mead School – new build school opened September 2014; and
- River Mead School – existing school transferred to TMAT in September 2014.

Key Performance Indicators

The Trust's key accountability measures are termly/annual measures of attainment and progress for all pupils and groups, including performance data at EYFS, Year 1, Ks1 and Ks2 standardised assessments.

The following KPI's are additionally used monthly to monitor the Academy's performance:

	TARGET	ACTUAL JULY 2016
Pupil numbers The Mead Hilperton	425	429
Pupil numbers The Mead Wingfield	85	82
Pupil numbers Castle Mead	85 Jan 2015	96 Jan 2016, 122 + 65 nursery July 2016
Pupil numbers River Mead	210+19 RB+ nursery	201+18 RB+16 nursery
	PLANNED CONTINGENCY	ACTUAL CLOSEDOWN POSITION
Forecast of outturn £ The Teaching School	£3,324	£178,813
Forecast of outturn £ The Mead	£11,217	£167,812
Forecast of outturn £ Castle Mead	£7,391	£95,491
Forecast of outturn £ River Mead	£105,879	£164,118

**THE MEAD ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy Trust's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the DfE which are 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 assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2016, the Academy Trust received total income of £5,426,895 and incurred total expenditure of £5,367,360 (excluding fixed asset fund and pension reserve). The excess of income over expenditure for the year was £59,535.

At 31 August 2016 the net book value of fixed assets was £12,215,423 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The Academy Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Regulations 2015/2016 which lays out the framework for financial management, including financial responsibilities of the Board, Executive Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams, unforeseen emergency or day to day costs and any planned commitments or designations that cannot be met by future income alone.

The Trust Board requires Academies to maintain an appropriate level of reserves to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance and to deal with fluctuations in pupil numbers.

Investment Policy

The Trustees have discussed potential investment opportunities and the requirement to formalise an investment policy. In light of current interest rates and the future liquidity requirements of the Trust, the Trustees have decided that it would not be prudent to invest monies at this time. The policy, therefore, remains under review.

**THE MEAD ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy Trust are as follows:

Financial - the Trust is totally reliant on continued Government funding through the EFA and given the Government's unwillingness to provide equitable and adequate funding to provide the highest quality education possible this is ongoing and a risk that is difficult to mitigate. In the last year the vast majority of the Academy Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Directors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Trust has appointed Wiltshire Council's Accounting and Business Support Team to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training and ongoing support (from a WC accounting and budget support Accounting Technician) to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Trustees and include the financial risks to the Academy Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they ensure adequate insurance cover.

The Trustees examine the financial health of each academy formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Resource Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

**THE MEAD ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 24 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

The Academy Trust has been designated as a Teaching School and gains additional funding for its operations.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

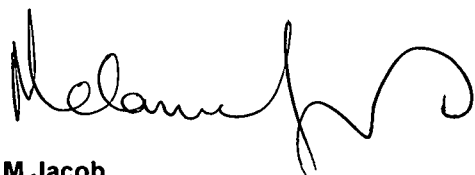
AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 12 December 2016 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'M Jacob', with a stylized flourish at the end.

**M Jacob
Chair of Trustees**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Mead 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 4 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
L Bolton, Executive Headteacher	4	4
M Jacob, Chair of Trustees	4	4
T Boulton	4	4
C Checkley	4	4
J Clark	2	4
P Finn	4	4
N Henderson	4	4
H Holland	3	4
E Holton	4	4
R Quick	2	4
T Wright	3	4

The Board of Trustees have reviewed the operation of the governance arrangements and are satisfied they are working effectively. In the year the following has been reviewed:

- A review has been carried out of governance arrangements and the Board of Trustees are satisfied that they are working effectively in most cases but some changes are planned for the year ahead;
- Some changes to composition of the Local Governing Body are recommended – additional parent governors are to be appointed in 2 of the 3 Local Governing Bodies. Additional capacity is required on the River Mead LGB;
- The use of Academy Ambassadors to further strengthen the Board of Trustees and Local Governing Bodies; and
- Change in constitution of Members to exclude Executive Headteacher in line with recent guidance from DfE.

The Resources Committee of the main Board of Trustees is responsible for Finance, Staffing and Infrastructure. Its terms of reference are:

The Resources Committee is an executive group of The Board of Trustees and receives its mandate from The Board and reports to The Board. The Resources Committee is responsible for resource management of The Academies within The Trust. It also oversees the financial performance of the school and making sure its money is well spent.

The main areas of focus for The Resources Committee are Finance, Personnel, Premises, Health and Safety, Procurement, Capital Works.

**THE MEAD ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

The Resources Committee is chaired by one of The Directors who is responsible for reporting back to The Board of Trustees. The Chair is elected at the beginning of each academic year. The Resources Committee is comprised of a majority of Trustees:-

- A Member (Minimum of 1);
- Trustees (with specialist knowledge; minimum of 2);
- The Executive Head Teacher (1);
- School Business Manager – Lead on Finance (1);
- School Business Managers from Academy schools;
- Governors – minimum of 1; and
- Co-opted members approved by the Board of Trustees.

In addition to the scheduled Resource Committee Meetings, other associated Panels within the auspices of the Resources Committee, include Staffing Panels, Pay Panel, Appeals Panel of the Pay Panel.

The Resources Committee met 8 times throughout the year, and was attended by Trustees as follows:

Trustee	Meetings attended	Out of a possible
R Quick	8	8
L Bolton	7	8
P Finn	6	8
C Checkley	7	8

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Executive Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how The Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy trust has delivered improved value for money during the year by use of competitive tenders for procurements of value.

- Educational outcomes have been improved with the same resource in many ways but specifically we have provided training across the Trust for all of our teaching assistants to enable them to deliver high quality one to one and small group support using structured interventions.
- Purchasing has been improved by delivering economies of scale across the Trust, when sourcing new items such as ICT equipment, exercise books and when reviewing service contracts as they are due for renewal.
- Economies of scale have also been achieved by sharing posts and strategic leadership roles across the Trust. Specifically this includes Music provision, SEN/Inclusion, teaching school and finance. Sharing of these posts and roles ensures we are delivering the same high quality provision at all Academy sites without the need to employ on an individual basis.

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Mead Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy 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's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 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's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has considered the need for a specific internal audit function and has decided this will be undertaken on an ad hoc basis by individual Trustees linked to Trust schools, in addition to:

- The continued appointment of Bishop Fleming as External Auditors;
- Wiltshire Council Accounting and Business Support Team for Independent Financial Controls Assurance Reports; and
- Wiltshire Council Accounting and Business Support Team for independent scrutiny, accounting and budget support – approximately monthly visits.

The role Wiltshire Council performs includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

In particular the checks carried out in the current period included:

- Review of Financial Planning and Budget Monitoring Arrangements – November 2015;
- Review of Financial Controls – December 2015;
- Review of Payroll – March 2016; and
- Review of Risk Register and Asset Management– April 2016.

No matters of significance were identified from the reviews carried out during the year.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

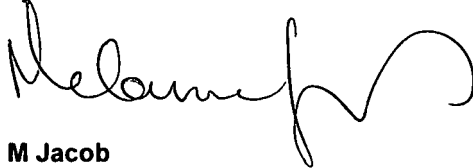
- the work of the external auditors;
- the work of the Wiltshire Council Accounting and Business Support Team and the financial management and governance arrangements; and
- the work of the business managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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GOVERNANCE STATEMENT (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by Wiltshire Council and a plan to address any weaknesses that are identified and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2016 and signed on their behalf,
by:



**M Jacob
Chair of Trustees**



**L Bolton
Accounting Officer**

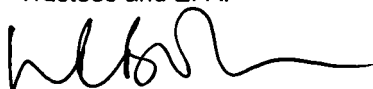
**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



L Bolton
Accounting Officer

Date: 12 December 2016

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

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

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

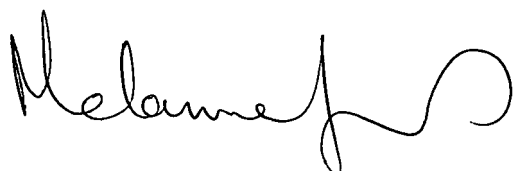
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**M Jacob
Chair of Trustees**

Date: 12 December 2016

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF THE MEAD ACADEMY TRUST**

We have audited the financial statements of The Mead Academy Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2016 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 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF THE MEAD ACADEMY TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Simon Morrison FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

14/12/2016

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE MEAD
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 June 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Mead Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE MEAD ACADEMY TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Mead Academy Trust's funding agreement with the Secretary of State for Education dated, and the Academies Financial Handbook extant from 1 September 2014, 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 2015 to 2016. 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE MEAD
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrison FCA (Reporting Accountant)

Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 14/12/2016

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

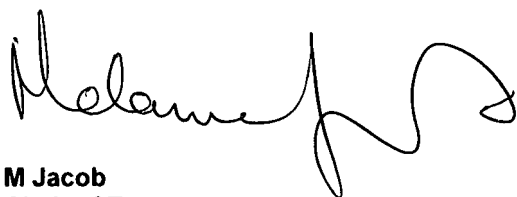
	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations & capital grants:						
Donations on business combination	3	-	-	-	-	5,013,654
Donation of fixed assets	3	-	-	278,598	278,598	2,033,074
Other donations and capital grants	3	6,470	75,838	321,534	403,842	123,343
Charitable activities	6	183,207	5,023,168	-	5,206,375	4,623,325
Other trading activities	4	137,198	-	-	137,198	179,220
Investments	5	1,014	-	-	1,014	877
TOTAL INCOME		327,889	5,099,006	600,132	6,027,027	11,973,493
EXPENDITURE ON:						
Charitable activities		344,511	5,022,849	357,531	5,724,891	5,218,157
TOTAL EXPENDITURE	7	344,511	5,022,849	357,531	5,724,891	5,218,157
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(16,622)	76,157	242,601	302,136	6,755,336
Transfers between Funds	20	-	(62,735)	62,735	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(16,622)	13,422	305,336	302,136	6,755,336
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(966,000)	-	(966,000)	15,000
NET MOVEMENT IN FUNDS		(16,622)	(952,578)	305,336	(663,864)	6,770,336
RECONCILIATION OF FUNDS:						
Total funds brought forward		372,366	(684,299)	12,148,297	11,836,364	5,066,028
TOTAL FUNDS CARRIED FORWARD		355,744	(1,636,877)	12,453,633	11,172,500	11,836,364

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08024396

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	15		12,215,423		12,148,297
CURRENT ASSETS					
Debtors	16	141,836		74,642	
Cash at bank and in hand		1,088,217		682,560	
		<u>1,230,053</u>		<u>757,202</u>	
CREDITORS: amounts falling due within one year	17	<u>(357,976)</u>		<u>(263,135)</u>	
NET CURRENT ASSETS			<u>872,077</u>		<u>494,067</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,087,500</u>		<u>12,642,364</u>
CREDITORS: amounts falling due after more than one year	18		<u>(30,000)</u>		<u>-</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>13,057,500</u>		<u>12,642,364</u>
Defined benefit pension scheme liability	24		<u>(1,885,000)</u>		<u>(806,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>11,172,500</u></u>		<u><u>11,836,364</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
General funds	20	248,123		121,701	
Fixed asset funds	20	12,453,633		12,148,297	
Restricted income funds excluding pension liability		<u>12,701,756</u>		<u>12,269,998</u>	
Pension reserve		<u>(1,885,000)</u>		<u>(806,000)</u>	
Total restricted income funds			<u>10,816,756</u>		<u>11,463,998</u>
Unrestricted income funds	20		<u>355,744</u>		<u>372,366</u>
TOTAL FUNDS			<u><u>11,172,500</u></u>		<u><u>11,836,364</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2016 and are signed on their behalf, by:



M Jacob
Chair of Trustees

The notes on pages 24 to 47 form part of these financial statements.

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	22	199,168	62,660
Cash flows from investing activities:			
Interest received		1,014	877
Purchase of tangible fixed assets		(146,059)	(69,481)
Capital grants from DfE/EFA		351,534	22,091
Cash transferred on business combination		-	160,130
Net cash provided by investing activities		206,489	113,617
Change in cash and cash equivalents in the year		405,657	176,277
Cash and cash equivalents brought forward		682,560	506,283
Cash and cash equivalents carried forward	23	1,088,217	682,560

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 historical 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

The Mead Academy Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of The Mead Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Mead Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 29.

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.

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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 and Governance costs 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land	-	over the term of the lease
Long term leasehold property	-	2% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	33% straight line

1.6 OPERATING LEASES

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

1.7 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 Bank.

1.8 TAXATION

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

1.9 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.

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 LIABILITIES AND PROVISIONS

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

Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.12 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 Department for Education 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 and include grants from the Department for Education.

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

1.13 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

1.14 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 and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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

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

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases requires the Academy Trust to determine, based on the evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the leases requires an asset and liability to be recognised in the balance sheet.

2. GENERAL INFORMATION

The Mead Academy Trust is a company limited by guarantee incorporated in England and Wales. The registered office of the company is The Mead Community Primary School, Hackett Place, Hilpertons, Trowbridge, Wiltshire, BA14 7GN.

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations on business combination	-	-	-	-	5,013,654
Donation of fixed assets	-	-	278,598	278,598	2,033,074
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Donations	6,470	75,838	-	82,308	101,252
Capital Grants	-	-	321,534	321,534	22,091
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	6,470	75,838	321,534	403,842	123,343
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	6,470	75,838	600,132	682,440	7,170,071
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £181,381 was to unrestricted funds, £72,960 was to restricted funds and £6,966,599 was to restricted fixed asset funds.

In the previous year donations included the transfer of the land and buildings and other assets of River Mead Primary School when this school was transferred into the Trust of £5,013,654 and the donation of the land and buildings of Castle Mead Primary School when the Trust opened this school on 1 September 2014 of £2,033,074.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in *Income from Donations and Capital Grants* instead of *Charitable Activities*. Capital grants recognised in 2015 have been reclassified.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	18,066	-	18,066	14,411
Other schools	47,457	-	47,457	73,227
Other	71,675	-	71,675	91,582
	<hr/>	<hr/>	<hr/>	<hr/>
	137,198	-	137,198	179,220
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from other trading activities, £141,523 was to unrestricted funds and £37,697 was to restricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	1,014	-	1,014	877

In 2015, of the total investment income, £877 was to unrestricted funds.

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	3,570,321	3,570,321	3,285,259
Other DfE/EFA grants	-	398,859	398,859	495,261
Teaching school grants	-	434,965	434,965	246,061
	-	4,404,145	4,404,145	4,026,581
Other government grants				
Other government grants non capital	-	205,153	205,153	79,844
High Needs	-	91,841	91,841	57,856
Nursery income	-	229,057	229,057	141,520
Top up values	-	84,502	84,502	82,806
	-	610,553	610,553	362,026
Other funding				
Catering income	56,058	-	56,058	129,215
Income for hosting trainee teachers	14,000	-	14,000	-
Other	-	8,470	8,470	6,637
Parental contributions	92,811	-	92,811	62,725
Music income	20,338	-	20,338	36,141
	183,207	8,470	191,677	234,718
	183,207	5,023,168	5,206,375	4,623,325

In 2015, of the total income from charitable activities, £228,081 was to unrestricted funds and £4,417,335 was to restricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total
	2016	2016	2016	2016	2015
	£	£	£	£	£
Education:					
Direct costs	3,248,234	-	678,300	3,926,534	2,010,789
Support costs	724,964	405,839	667,554	1,798,357	684,402
	3,973,198	405,839	1,345,854	5,724,891	2,695,191

In 2016, of the total expenditure, £344,511 (£369,254) was to unrestricted funds and £5,267,380 (2015: £4,529,346) was to restricted funds.

8. DIRECT COSTS

	Total	Total
	2016	2015
	£	£
Pension finance costs	32,000	28,000
Educational supplies	286,025	176,040
School trip expenditure	88,116	81,938
Staff development	21,791	21,985
Supply teachers	2,610	619
Educational consultancy	108,307	27,403
Wages and salaries	2,583,825	2,538,954
National insurance	197,760	167,795
Pension cost	464,039	391,118
Depreciation	142,061	92,463
	3,926,534	3,526,315

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Other costs	117,643	104,913
Maintenance of premises and equipment	94,470	113,482
Cleaning	11,375	9,888
Rent and rates	32,127	25,176
Energy costs	52,397	56,167
Insurance	31,535	53,341
Security and transport	13,533	15,715
Catering	120,006	138,133
Technology costs	50,632	78,344
Legal and professional	333,897	220,727
Bank interest and charges	308	185
Wages and salaries	522,810	500,146
National insurance	22,973	17,854
Pension cost	179,181	157,677
Depreciation	215,470	200,094
	<u>1,798,357</u>	<u>1,691,842</u>

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	357,531	292,557
Auditors' remuneration - audit	9,550	9,550
Auditors remuneration- non-audit	1,500	1,500
	<u>368,581</u>	<u>303,607</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,106,635	3,039,100
Social security costs	220,733	185,649
Operating costs of defined benefit pension schemes	643,220	548,795
	<u>3,970,588</u>	<u>3,773,544</u>
Supply teacher costs	2,610	619
	<u>3,973,198</u>	<u>3,774,163</u>

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

	2016 No.	2015 No.
Teachers	51	54
Administration and support	115	106
Management	11	9
	<u>177</u>	<u>169</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	48	45
Administration and support	75	65
Management	11	10
	<u>134</u>	<u>120</u>

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

	2016 No.	2015 No.
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 pension contributions for these staff amounted to £13,634 (2015: £11,240).

The key management personnel of the Academy Trust comprise the senior management team as listed on page 1. The total employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £481,684 (2015: £448,221).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

12. CENTRAL SERVICES

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

- Personnel
- Recharge for use of facilities

The Academy charges for these services on the following basis:

Costs, which were incurred as central costs in the first instance, were recharged to the following schools in the year:

The actual amounts charged during the year were as follows:

	2016	2015
	£	£
River Mead Primary School	64,985	42,725
Castle Mead Primary School	100,403	62,221
The Mead Primary School	19,855	-
	<u>185,243</u>	<u>104,946</u>
Total	<u><u>185,243</u></u>	<u><u>104,946</u></u>

The Trust will continue to develop the allocation of central services to ensure transparency and greater visibility.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Trustees (2015: 4) in respect of defined benefit pension schemes.

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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: L Bolton: Remuneration £80,000 - £85,000 (2015: £70,000 - £75,000), Employer's Pension Contributions £10,000 - £15,000 (2015: £10,000 - £15,000); E Holton: Remuneration £45,000 - £50,000 (2015: £45,000 - £50,000), Employer's Pension Contributions £5,000 - £10,000 (2015: £5,000 - £10,000); T Boulton: Remuneration £45,000 - £50,000 (2015: £45,000 - £50,000), Employer's Pension Contributions £5,000 - £10,000 (2015: £5,000 - £10,000); N Henderson: Remuneration £50,000 - £55,000 (2015: £50,000 - £55,000), Employer's Pension Contributions £5,000 - £10,000 (2015: £5,000 - £10,000).

During the year, no Trustees received any reimbursement of expenses (2015: £NIL).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000. For the year ended 31 August 2016 and the previous year the cover was provided through the Education Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the Trustee indemnity element is not separately identifiable.

15. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2015	12,523,695	152,625	215,055	12,891,375
Additions	84,516	25,983	35,560	146,059
Donated assets	278,598	-	-	278,598
At 31 August 2016	12,886,809	178,608	250,615	13,316,032
DEPRECIATION				
At 1 September 2015	607,852	22,859	112,367	743,078
Charge for the year	256,131	17,861	83,539	357,531
At 31 August 2016	863,983	40,720	195,906	1,100,609
NET BOOK VALUE				
At 31 August 2016	12,022,826	137,888	54,709	12,215,423
At 31 August 2015	11,915,843	129,766	102,688	12,148,297

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

16. DEBTORS

	2016 £	2015 £
Trade debtors	749	16,176
Other debtors	42,992	29,730
Prepayments and accrued income	98,095	28,736
	<u>141,836</u>	<u>74,642</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	5,652	-
Other taxation and social security	63,601	50,285
Accruals and deferred income	288,723	212,850
	<u>357,976</u>	<u>263,135</u>

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	154,298	156,019
Resources deferred during the year	179,851	154,298
Amounts released from previous years	(154,298)	(156,019)
Deferred income at 31 August 2016	<u>179,851</u>	<u>154,298</u>

Deferred income at the year end relates to funds received in advance for universal infant free school meals, teaching school grants and other EFA grants which relate to the 2016/17 academic year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Other loans	30,000	-

Included within the above are amounts falling due as follows:

	2016 £	2015 £
BETWEEN ONE AND TWO YEARS		
Other loans	3,750	-
BETWEEN TWO AND FIVE YEARS		
Other loans	11,250	-
OVER FIVE YEARS		
Other loans	15,000	-

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Repayable by instalments	15,000	-

Creditors due after more than one year consist of a £30,000 loan from the EFA under the Condition Improvement Fund. The loan is repayable in equal instalments over an 8 year period with the first repayment due in September 2017. Interest is charged on the loan at 2.04% per annum.

19. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	1,085,339	682,560
Financial assets measured at amortised cost	73,071	38,019
	1,158,410	720,579
Financial liabilities measured at amortised cost	144,524	58,552

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents

Financial assets measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and the loan from the EFA under the Condition Improvement Fund.

THE MEAD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	372,366	327,889	(344,511)	-	-	355,744
RESTRICTED FUNDS						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	61,751	3,560,079	(3,413,754)	(62,735)	-	145,341
Teaching school income	59,950	438,065	(395,233)	-	-	102,782
Pupil premium	-	293,868	(293,868)	-	-	-
Trip income	-	75,838	(75,838)	-	-	-
Devolved formula capital	-	16,640	(16,640)	-	-	-
UIFSM	-	149,673	(149,673)	-	-	-
Other DfE/EFA grants	-	38,878	(38,878)	-	-	-
High needs income	-	91,841	(91,841)	-	-	-
EYSFF income	-	25,663	(25,663)	-	-	-
LA Top up values	-	84,502	(84,502)	-	-	-
Nursery income	-	229,057	(229,057)	-	-	-
Other local authority grants	-	79,290	(79,290)	-	-	-
Other restricted income	-	15,612	(15,612)	-	-	-
Pension reserve	(806,000)	-	(113,000)	-	(966,000)	(1,885,000)
	(684,299)	5,099,006	(5,022,849)	(62,735)	(966,000)	(1,636,877)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	9,947,787	-	(250,559)	-	-	9,697,228
Fixed assets purchased from GAG and other restricted funds	72,901	-	(30,950)	62,735	-	104,686
DfE/EFA Capital grants	29,996	321,534	(7,389)	-	-	344,141
Castle Mead new school funding	102,379	-	(25,221)	-	-	77,158
Donated fixed assets	1,995,234	278,598	(43,412)	-	-	2,230,420
	<u>12,148,297</u>	<u>600,132</u>	<u>(357,531)</u>	<u>62,735</u>	<u>-</u>	<u>12,453,633</u>
Total restricted funds	<u>11,463,998</u>	<u>5,699,138</u>	<u>(5,380,380)</u>	<u>-</u>	<u>(966,000)</u>	<u>10,816,756</u>
Total of funds	<u>11,836,364</u>	<u>6,027,027</u>	<u>(5,724,891)</u>	<u>-</u>	<u>(966,000)</u>	<u>11,172,500</u>

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the Educational Funding Agency (EFA) which is to be used for the normal running costs of the Academy, including education and support costs.

High Needs funding is received from the Local Authority to fund provision for students with additional learning needs in a specialised resource provision.

Pupil Premium funding which represents amounts received from the EFA to cater for disadvantaged pupils.

UFSM represents funding received to provide free school meals to all pupils in year groups reception, year 1 and year 2.

Teaching school income represents funding relating to teaching school activities.

Other DfE/EFA grants relate to funding received for the provision of physical education and rates relief.

Sponsor capacity and new school grants relate to funding received to transfer River Mead Primary school into the Academy Trust and open the new Castle Mead Primary School, both of which took place during the year to 31 August 2015.

EYSFF income relates to Early Years Single Funding Formula and represents funding for providing early years education.

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20. STATEMENT OF FUNDS (continued)

The pension reserve represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from the local authority on conversion to an academy, as well as the donation of the school buildings of River Mead Primary School on 1 September 2014.

Fixed assets purchased from GAG represents amounts spent on fixed assets from the GAG funding received from the EFA.

Other DfE/EFA capital grants received in the year relate to CIF funding received at River Mead School.

Brought forward donated fixed assets relates to the land and buildings of Castle Mead School donated to the Academy Trust in September 2014 when the school opened as an Academy. The land and buildings were professionally valued on 31 March 2015 and have been initially recognised at this valuation. Fixed assets donated in the year relate to a playing field donated to River Mead School.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
The Mead Primary School	350,530	314,712
Castle Mead Primary School	95,516	66,196
River Mead Primary School	157,821	113,159
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	603,867	494,067
Restricted fixed asset fund	12,453,633	12,148,297
Pension reserve	(1,885,000)	(806,000)
	<hr/>	<hr/>
Total	11,172,500	11,836,364
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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 depreciat- ion £	Total 2016 £	Total 2015 £
The Mead Primary School	1,696,110	387,296	109,582	589,782	2,782,770	2,730,065
Castle Mead Primary School	719,844	97,979	129,385	157,106	1,104,314	649,141
River Mead Primary School	945,280	158,689	47,058	329,249	1,480,276	1,519,394
	<u>3,361,234</u>	<u>643,964</u>	<u>286,025</u>	<u>1,076,137</u>	<u>5,367,360</u>	<u>4,898,600</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	12,215,423	12,215,423	12,148,297
Current assets	355,744	606,099	268,210	1,230,053	757,202
Creditors due within one year	-	(357,976)	-	(357,976)	(263,135)
Creditors due in more than one year	-	-	(30,000)	(30,000)	-
Provisions for liabilities and charges	-	(1,885,000)	-	(1,885,000)	(806,000)
	<u>355,744</u>	<u>(1,636,877)</u>	<u>12,453,633</u>	<u>11,172,500</u>	<u>11,836,364</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	302,136	6,755,336
Adjustment for:		
Depreciation charges	357,531	292,557
Interest received	(1,014)	(877)
Donation of fixed assets	(278,598)	(2,033,074)
(Increase)/decrease in debtors	(67,194)	8,488
Increase/(decrease) in creditors	94,841	(19,025)
Capital grants from DfE and other capital income	(321,534)	(22,091)
Defined benefit pension scheme cost less contributions payable	81,000	67,000
Defined benefit pension scheme finance cost	32,000	28,000
Net assets transferred on conversion	-	(5,013,654)
Net cash provided by operating activities	199,168	62,660

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	1,088,217	682,560
Total	1,088,217	682,560

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

24. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £464,039 (2015: £391,118).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £310,000 (2015: £267,000), of which employer's contributions totalled £242,000 (2015: £209,000) and employees' contributions totalled £68,000 (2015: £58,000). The agreed contribution rates for future years are; from April 2017 20.5%, from April 2018 21% and from April 2019 21.4% for employers and 5.5% - 7.5% 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:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.3 years	22.3 years
Females	24.5 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.9 years	26.9 years

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24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,500	1,132
Debt instruments	313	239
Property	250	191
Other - user input	21	32
	<hr/>	<hr/>
Total market value of assets	2,084	1,594
	<hr/>	<hr/>

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(323,000)	(276,000)
Net interest cost	(32,000)	(28,000)
	<hr/>	<hr/>
Total	(355,000)	(304,000)
	<hr/>	<hr/>

Movements in the present value of the defined benefit obligation were as follows:

	2016 £	2015 £
Opening defined benefit obligation	2,400,000	1,013,000
Current service cost	323,000	276,000
Interest cost	98,000	81,000
Contributions by employees	68,000	58,000
Actuarial losses/(gains)	1,089,000	(32,000)
Liabilities extinguished on settlements	-	1,013,000
Benefits paid	(9,000)	(9,000)
	<hr/>	<hr/>
Closing defined benefit obligation	3,969,000	2,400,000
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Movements in the fair value of the Academy's share of scheme assets:

	2016 £	2015 £
Opening fair value of scheme assets	1,594,000	650,000
Return on plan assets (excluding net interest on the net defined pension liability)	66,000	53,000
Actuarial gains and (losses)	123,000	(17,000)
Contributions by employer	242,000	209,000
Contributions by employees	68,000	58,000
Assets acquired in a business combination	-	650,000
Benefits paid	(9,000)	(9,000)
	<u>2,084,000</u>	<u>1,594,000</u>
Closing fair value of scheme assets	<u>2,084,000</u>	<u>1,594,000</u>

25. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	4,080	6,442
Between 1 and 5 years	6,427	15,428
	<u>10,507</u>	<u>21,870</u>
Total	<u>10,507</u>	<u>21,870</u>

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisation, it is likely that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

L Bolton, the Executive Headteacher of the Trust, is also a Trustee of Collaborative Schools Limited, a registered charitable company which provided educational support services of £54,794 (2015: £31,243) to the Academy Trust during the year. There were not amounts due to the company at the year end. Collaborative Schools Limited is a not for profit organisation of which L Bolton is one of several Trustees. The other Trustees of the company are also Headteachers of local schools.

M Jacob, a Trustee, is a partner of Poppies and Parsnips, a firm that provided gardening education services to the Trust of £7,470 (2015: £3,240) during the year. Poppies and Parsnips is a not for profit organisation and the services were provided to the Trust at cost. No amount was due to the firm at the year end.

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27. CONTROLLING PARTY

The company is under the joint control of the Trustees. There is no ultimate controlling party.

28. MEMBERS' LIABILITY

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

29. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		5,066,028	11,836,364
Total funds reported under FRS 102		<u>5,066,028</u>	<u>11,836,364</u>
Reconciliation of net income	Notes		31 August 2015
			£
Net income previously reported under UK GAAP			6,782,336
Pension interest cost			(27,000)
Net income before other gains and losses reported under FRS 102			<u>6,755,336</u>

Explanation of changes to previously reported funds and net income/expenditure:

Under previous UK GAAP the Academy recognised an expected return on defined benefit pension assets in expenditure. Under FRS 102 a net interest charge, based on the net defined benefit liability, is recognised in expenditure. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the expenditure by £27,000 and decrease other recognised gains and losses in the SoFA by an equivalent amount.