

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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**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 2017

Members	L Bolton (removed as member, change of articles 2 February 2017) J Clark M Jacob (resigned 26 April 2017) R Quick T Wright P Finn (appointed 26 April 2017) A Purcell (appointed 8 February 2017)
Trustees and Directors	L Bolton, Executive Head Teacher ¹ M Jacob, Chair of Trustees (resigned 26 April 2017) T Boulton C Checkley, Chair of Trustees (from 21 September 2017) ¹ J Clark P Finn ¹ N Henderson H Holland E Holton R Quick, Chair of Trustees (from 26 April 2017 to 21 September 2017) ¹ T Wright J Bullock (appointed 2 February 2017) M Haines (appointed 8 February 2017) 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
Strategic leadership group	L Bolton, Executive Head Teacher 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 (resigned 2 June 2017) K Thain, School Business Manager M Jacob, School Business Manager (appointed 2 May 2017)

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Trustees' report under company law.

The Trust operated three primary academies in FY16/17 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 2016/17 and had a roll of 910 pupils (Years R - 6) as at July 2017, with an additional 93 children in nursery provision. The split of pupils per Academy was as follows:

The Mead Community Primary School	Total on roll = 509		
	Hilperton	PAN = 60	On roll = 422
	Wingfield	PAN = 15	On roll = 87
River Mead School	Total on roll = 228	PAN = 45	
	River Mead Nursery		On roll = 17
	River Mead School (YR-Y6)		On roll = 192
	River Mead Resource Base		On roll = 19
Castle Mead School	Total on roll = 266	PAN = 30	
	Castle Mead Nursery		On roll = 76
	Castle Mead School (YR-Y6)		On roll = 190

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
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 Trustees – 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 Committees – Local Governing Committees);
- The Chief Executive Officer (Executive Head Teacher), 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 Committees;
- 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 Trustees 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 Committee that reports to the Board of Trustees.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 Head Teacher and Executive Secretary 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 Head Teacher and the Strategic Leadership Group (SLG). The SLG comprises the Executive Head Teacher, 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 Head Teacher, School Business Managers and the Resources Committee, are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Financial Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Financial 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 Head Teacher 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 Head Teachers Performance Management is carried out by a Sub-committee of 3 Trustees and any associated pay increases agreed by Resources Committee and Board of Trustees.

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
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 2017 are summarised below:

- To expand the Trust to include additional primary schools and a secondary school in the East Trowbridge development;
- To secure good provision at Castle Mead School and Nursery;
- To secure rapid improvement at River Mead School (formerly Kings Park Academy School) from an Ofsted category of Requires Improvement;
- 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.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 2016/2017, 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 from Requires Improvement category to Good;
- Securing a successful completion of extension to new provision at Castle Mead School (with purpose built nursery), to open September 2017;
- Establishing nursery provision at The Mead Primary School;
- Establishing effective leadership and management structures as The Trust moves to a new phase as a group of three schools (across four sites);
- Expansion of the Trust to incorporate new provision primary and secondary schools at East Trowbridge.
- Implementation of Maths No Problem approach to the teaching of mathematics across the Trust.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity 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.

**THE MEAD ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

STRATEGIC REPORT

Achievements and Performance

The Trust is in its fifth year and has grown from one Academy to now include three schools over four sites:

- 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, achieved a Good Ofsted rating in June 2017; and
- River Mead School – existing school transferred to the Trust in September 2014, progressed from Inadequate to Requires Improvement Ofsted rating.

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 2017
Pupil numbers The Mead Hilperton	420	422
Pupil numbers The Mead Wingfield	90	87
Pupil numbers Castle Mead	171 + nursery	170 + 76 nursery
Pupil numbers River Mead	210+19 RB+ nursery	192 +19 RB+17 nursery
	PLANNED CONTINGENCY	ACTUAL CLOSEDOWN POSITION
Forecast of outturn £ The Teaching School	£13,221	£76,436
Forecast of outturn £ The Mead	£16,380	£199,179
Forecast of outturn £ Castle Mead	£5,636	£61,454
Forecast of outturn £ River Mead	£66,631	£114,210

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 ESFA 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 2017 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 2017, the Academy Trust received total income of £5,526,358 and incurred total expenditure of £5,563,601 (excluding fixed asset fund and pension costs from the actuarial valuation report). The excess of expenditure over income for the year was £37,243.

**THE MEAD ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

At 31 August 2017 the net book value of fixed assets was £12,424,853 and movements in tangible fixed assets are shown in note 14 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 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Regulations 2016/2017 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.

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 ESFA 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. Development and provision that is non statutory is reliant upon accessing further funding through grants and other sources.

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 Trustees 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.

**THE MEAD ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 23 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 MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 11 December 2017 and signed on the Board's behalf by:

A handwritten signature in black ink, appearing to read 'C Checkley', with a stylized, flowing script.

**C Checkley
Chair of Trustees**

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

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 Head Teacher, 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 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
L Bolton, Executive Head Teacher	7	7
M Jacob, Chair of Trustees (to 26 April 2017)	7	7
T Boulton	6	6
C Checkley, Chair of Trustees (from 21 September 2017)	1	6
J Clark	0	7
P Finn	6	6
N Henderson	4	6
H Holland	5	6
E Holton	6	6
R Quick, Chair of Trustees (from 26 April 2017)	7	7
T Wright	3	7
J Bullock	3	4
M Haines	2	2

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 Committees; and
- Change in constitution of Members to exclude the Executive Head Teacher in line with recent guidance from DfE has been actioned - new Articles of Association have been drafted in line with the DfE model Articles.

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 MEAD ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

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

The Resources Committee is chaired by one of the Trustees 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/Governors/Staff as follows:

Trustee	Meetings attended	Out of a possible
R Quick	8	8
L Bolton	8	8
P Finn	4	8
C Checkley	3	8
R Wilsher	4	8
S Pedlar	8	8
G Shanahan	8	8
H Wallace (resigned 2/6/17)	4	6
K Thain	8	8
M Jacob (appointed 2/5/17)	3	3

REVIEW OF VALUE FOR MONEY

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

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

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Mead Academy Trust for the year 1 September 2016 to 31 August 2017 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the 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 who are 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 Trust's financial systems. In particular the checks carried out in the current period included:

- Financial Control Assurance Reports:
- Review of purchasing – The Mead and Castle Mead
- Review of income processes and bank reconciliation – All schools
- Review of financial planning and administration – The Mead
- Review of 'The Musts' from the AFH 2016 – River Mead
- Review of school fund account and lettings – The Mead
- Review of payroll processes – The Mead & Castle Mead
- Review of Business Continuity and Disaster Recovery – River Mead

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

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Head Teacher 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 self-assessment process; and
- the work of the Business Managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 11 December 2017 and signed on their behalf, by:



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

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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



**L Bolton
Accounting Officer**

Date: 11 December 2017

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**C Checkley
Chair of Trustees**

Date: 11 December 2017

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

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

OPINION

We have audited the financial statements of The Mead Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



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:

15/12/2017

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

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

In accordance with the terms of our engagement letter dated 23 June 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Mead Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Mead Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Mead Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Mead Academy Trust and the ESFA, 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, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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.

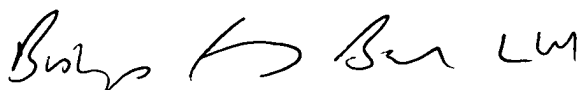
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE MEAD
ACADEMY TRUST AND THE EDUCATION AND SKILLS 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrison FCA (Reporting Accountant)

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

Date: 15/12/2017

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Donation of fixed assets	2	-	-	48,609	48,609	278,598
Other donations and capital grants	2	7,357	69,029	141,854	218,240	403,842
Charitable activities:	5					
Teaching school		-	321,053	-	321,053	438,065
Other charitable activities		195,103	4,778,691	-	4,973,794	4,768,310
Other trading activities	3	154,419	-	-	154,419	137,198
Investments	4	706	-	-	706	1,014
TOTAL INCOME		357,585	5,168,773	190,463	5,716,821	6,027,027
EXPENDITURE ON:						
Charitable activities:						
Teaching school		-	347,399	-	347,399	395,233
Other charitable activities		474,818	5,012,384	347,165	5,834,367	5,329,658
TOTAL EXPENDITURE	6	474,818	5,359,783	347,165	6,181,766	5,724,891
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(117,233)	(191,010)	(156,702)	(464,945)	302,136
Transfers between Funds	19	-	(115,345)	115,345	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(117,233)	(306,355)	(41,357)	(464,945)	302,136
Actuarial gains/(losses) on defined benefit pension schemes	23	-	1,405,000	-	1,405,000	(966,000)
NET MOVEMENT IN FUNDS		(117,233)	1,098,645	(41,357)	940,055	(663,864)
RECONCILIATION OF FUNDS:						
Total funds brought forward		355,744	(1,636,877)	12,453,633	11,172,500	11,836,364
TOTAL FUNDS CARRIED FORWARD		238,511	(538,232)	12,412,276	12,112,555	11,172,500

The notes on pages 26 to 49 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		12,424,853		12,215,423
CURRENT ASSETS					
Debtors	15	177,670		141,836	
Cash at bank and in hand		664,078		1,088,217	
		841,748		1,230,053	
CREDITORS: amounts falling due within one year	16	(376,796)		(357,976)	
NET CURRENT ASSETS			464,952		872,077
TOTAL ASSETS LESS CURRENT LIABILITIES			12,889,805		13,087,500
CREDITORS: amounts falling due after more than one year	17		(26,250)		(30,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			12,863,555		13,057,500
Defined benefit pension scheme liability	23		(751,000)		(1,885,000)
NET ASSETS			12,112,555		11,172,500
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	19	212,768		248,123	
Fixed asset funds	19	12,412,276		12,453,633	
Restricted funds excluding pension liability		12,625,044		12,701,756	
Pension reserve		(751,000)		(1,885,000)	
Total restricted funds			11,874,044		10,816,756
Unrestricted funds	19		238,511		355,744
TOTAL FUNDS			12,112,555		11,172,500

The financial statements on pages 23 to 49 were approved by the Trustees, and authorised for issue, on 11 December 2017 and are signed on their behalf, by:



C Checkley
Chair of Trustees

The notes on pages 26 to 49 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 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(58,712)	199,168
Cash flows from investing activities:			
Interest received		706	1,014
Purchase of tangible fixed assets		(507,986)	(146,059)
Capital grants from DfE/ESFA and other capital income		141,854	351,534
Net cash (used in)/provided by investing activities		(365,426)	206,489
Change in cash and cash equivalents in the year		(424,138)	405,657
Cash and cash equivalents brought forward		1,088,217	682,560
Cash and cash equivalents carried forward	22	664,079	1,088,217

The notes on pages 26 to 49 form part of these financial statements.

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 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, Hilperton, Trowbridge, Wiltshire, BA14 7GN.

1.2 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.3 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

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

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

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

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these 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

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

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 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 and cash on deposit that has a notice period of less than 30 days.

1.9 LIABILITIES AND PROVISIONS

Liabilities and provisions 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.

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, 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 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.

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 FUND ACCOUNTING

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

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

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

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

1.14 OPERATING LEASES

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

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 23, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an 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 lease requires an asset and liability to be recognised in the Balance Sheet.

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donation of fixed assets	-	-	48,609	48,609	278,598
Donations	7,357	69,029	-	76,386	82,308
Capital Grants	-	-	141,854	141,854	321,534
Subtotal	7,357	69,029	141,854	218,240	403,842
	7,357	69,029	190,463	266,849	682,440
<i>Total 2016</i>	6,470	75,838	600,132	682,440	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	19,997	-	19,997	18,066
Other schools	86,821	-	86,821	47,457
Other	47,601	-	47,601	71,675
	154,419	-	154,419	137,198
<i>Total 2016</i>	137,198	-	137,198	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	706	-	706	1,014
<i>Total 2016</i>	1,014	-	1,014	

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FOR THE YEAR ENDED 31 AUGUST 2017

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	3,641,647	3,641,647	3,570,321
Other DfE/ESFA grants	-	501,725	501,725	398,859
Teaching school grants	-	321,053	321,053	434,965
	-	4,464,425	4,464,425	4,404,145
Other Government grants				
Other government grants non capital	-	177,229	177,229	205,153
Nursery income	-	260,702	260,702	229,057
Top up values	-	94,909	94,909	84,502
High Needs	-	92,674	92,674	91,841
	-	625,514	625,514	610,553
Other funding				
Catering income	53,915	-	53,915	56,058
Income for hosting trainee teachers	-	-	-	14,000
Other	-	9,805	9,805	8,470
Parental contributions	118,760	-	118,760	92,811
Music income	22,428	-	22,428	20,338
	195,103	9,805	204,908	191,677
	195,103	5,099,744	5,294,847	5,206,375
Total 2016	183,207	5,023,168	5,206,375	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Education:					
Direct costs	3,181,610	111,213	715,612	4,008,435	3,926,534
Support costs	936,894	539,355	697,082	2,173,331	1,798,357
	4,118,504	650,568	1,412,694	6,181,766	5,724,891
Total 2016	3,973,198	405,839	1,345,854	5,724,891	

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7. DIRECT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	42,000	32,000
Educational supplies	310,211	286,025
School trip expenditure	95,446	88,116
Staff development	42,576	21,791
Supply teachers	12,001	2,610
Educational consultancy	14,154	108,307
Wages and salaries	2,657,742	2,583,825
National insurance	241,806	197,760
Pension cost	481,286	464,039
Depreciation	111,213	142,061
	4,008,435	3,926,534
<i>Total 2016</i>	3,926,534	

8. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Other costs	173,928	117,643
Maintenance of premises and equipment	186,068	94,470
Cleaning	12,220	11,375
Rent and rates	25,173	32,127
Energy costs	49,438	52,397
Insurance	29,198	31,535
Security and transport	17,338	13,533
Catering	121,795	120,006
Technology costs	57,942	50,632
Legal and professional	327,298	333,897
Bank interest and charges	87	308
Wages and salaries	565,487	522,810
National insurance	31,400	22,973
Pension cost	340,007	179,181
Depreciation	235,952	215,470
	2,173,331	1,798,357
<i>Total 2016</i>	1,798,357	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	347,165	357,531
Auditors' remuneration- audit	9,550	9,550
Auditors' remuneration- non-audit	1,500	1,500
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	3,222,493	3,106,635
Social security costs	273,206	220,733
Operating costs of defined benefit pension schemes	821,293	643,220
	4,316,992	3,970,588
Apprenticeship levy	736	-
Supply teacher costs	12,001	2,610
	4,329,729	3,973,198

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

	2017	2016
	No.	No.
Teachers	63	51
Administration and support	116	115
Management	11	11
	190	177

Average headcount expressed as a full time equivalent:

	2017	2016
	No.	No.
Teachers	49	48
Administration and support	74	75
Management	10	11
	133	134

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

	2017	2016
	No.	No.
In the band £80,001 - £90,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 pension contributions for these staff amounted to £14,103 (2016: £13,634).

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 £458,387 (2016: £481,684).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

11. 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:

	2017	2016
	£	£
River Mead Primary School	74,628	64,985
Castle Mead Primary School	115,302	100,403
The Mead Primary School	22,801	19,855
	<u>212,731</u>	<u>185,243</u>
Total		

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 2017

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Trustees (2016: 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 £85,000 - £90,000 (2016: £80,000 - £85,000), Employer's Pension Contributions £10,000 - £15,000 (2016: £10,000 - £15,000); E Holton: Remuneration £50,000 - £55,000 (2016: £45,000 - £50,000), Employer's Pension Contributions £5,000 - £10,000 (2016: £5,000 - £10,000); T Boulton: Remuneration £Nil (2016: £45,000 - £50,000), Employer's Pension Contributions £Nil (2016: £5,000 - £10,000); N Henderson: Remuneration £Nil (2016: £50,000 - £55,000), Employer's Pension Contributions £Nil (2016: £5,000 - £10,000).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016: £NIL).

13. 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 and Skills Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the Trustee indemnity element is not separately identifiable.

14. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2016	12,886,809	178,608	250,615	13,316,032
Additions	399,316	63,941	44,729	507,986
Donated assets	48,609	-	-	48,609
At 31 August 2017	13,334,734	242,549	295,344	13,872,627
DEPRECIATION				
At 1 September 2016	863,983	40,720	195,906	1,100,609
Charge for the year	276,613	18,264	52,288	347,165
At 31 August 2017	1,140,596	58,984	248,194	1,447,774
NET BOOK VALUE				
At 31 August 2017	12,194,138	183,565	47,150	12,424,853
At 31 August 2016	12,022,826	137,888	54,709	12,215,423

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. DEBTORS

	2017 £	2016 £
Trade debtors	9,713	749
VAT repayable	-	-
Other debtors	45,493	42,992
Prepayments and accrued income	122,464	98,095
	<u>177,670</u>	<u>141,836</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Other loans	3,750	-
Trade creditors	12,788	5,652
Other taxation and social security	64,686	63,601
Accruals and deferred income	295,572	288,723
	<u>376,796</u>	<u>357,976</u>

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	179,851	154,298
Resources deferred during the year	175,221	179,851
Amounts released from previous years	(179,851)	(154,298)
Deferred income at 31 August 2017	<u>175,221</u>	<u>179,851</u>

Deferred income at the year end relates to funds received in advance for universal infant free school meals, teaching school grants and other ESFA grants which relate to the 2017/18 academic year.

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

	2017 £	2016 £
Other loans	26,250	30,000

Included within the above are amounts falling due as follows:

	2017 £	2016 £
BETWEEN ONE AND TWO YEARS		
Other loans	3,750	3,750
BETWEEN TWO AND FIVE YEARS		
Other loans	11,250	11,250
OVER FIVE YEARS		
Other loans	11,250	15,000

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

	2017 £	2016 £
Repayable by instalments	11,250	15,000

Creditors due after more than one year consist of a £30,000 loan from the ESFA under the Condition Improvement Fund, of which £26,250 is for repayment in over one year. 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.

18. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	663,056	1,088,217
Financial assets measured at amortised cost	101,730	73,071
	764,786	1,161,288
Financial liabilities measured at amortised cost	163,149	144,524

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
General funds	355,744	357,585	(474,818)	-	-	238,511
RESTRICTED FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	145,341	3,641,647	(3,535,311)	(115,345)	-	136,332
Teaching school income	102,782	321,053	(347,399)	-	-	76,436
Pupil premium	-	294,306	(294,306)	-	-	-
Trip income	-	69,529	(69,529)	-	-	-
Devolved formula capital	-	22,315	(22,315)	-	-	-
UIFSM	-	152,951	(152,951)	-	-	-
Other DfE/ESFA grants	-	32,153	(32,153)	-	-	-
High needs income	-	92,674	(92,674)	-	-	-
LA Top up values	-	94,909	(94,909)	-	-	-
Nursery income	-	260,702	(260,702)	-	-	-
Other local authority grants	-	177,229	(177,229)	-	-	-
Other restricted income	-	9,305	(9,305)	-	-	-
Pension reserve	(1,885,000)	-	(271,000)	-	1,405,000	(751,000)
	<u>(1,636,877)</u>	<u>5,168,773</u>	<u>(5,359,783)</u>	<u>(115,345)</u>	<u>1,405,000</u>	<u>(538,232)</u>

THE MEAD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion	9,697,228	-	(230,103)	-	-	9,467,125
Fixed assets purchased from GAG and other restricted funds	104,686	-	(30,950)	115,345	-	189,081
DfE/ESFA Capital grants	344,141	-	(19,967)	-	-	324,174
Castle Mead new school funding	77,158	-	(24,307)	-	-	52,851
Donated fixed assets	2,230,420	48,609	(41,838)	-	-	2,237,191
Early years capital income	-	141,854	-	-	-	141,854
	<u>12,453,633</u>	<u>190,463</u>	<u>(347,165)</u>	<u>115,345</u>	<u>-</u>	<u>12,412,276</u>
Total restricted funds	<u>10,816,756</u>	<u>5,359,236</u>	<u>(5,706,948)</u>	<u>-</u>	<u>1,405,000</u>	<u>11,874,044</u>
Total of funds	<u>11,172,500</u>	<u>5,716,821</u>	<u>(6,181,766)</u>	<u>-</u>	<u>1,405,000</u>	<u>12,112,555</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General funds	372,366	327,889	(344,511)	-	-	355,744
	<u>372,366</u>	<u>327,889</u>	<u>(344,511)</u>	<u>-</u>	<u>-</u>	<u>355,744</u>

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19. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
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)	-	-	-
UFSM	-	149,673	(149,673)	-	-	-
Other DfE/ESFA 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)
	<u>(684,299)</u>	<u>5,099,006</u>	<u>(5,022,849)</u>	<u>(62,735)</u>	<u>(966,000)</u>	<u>(1,636,877)</u>

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
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/ESFA 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>

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19. STATEMENT OF FUNDS (continued)

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 and Skills Funding Agency (ESFA) 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 ESFA to cater for disadvantaged pupils.

UIFSM 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/ESFA 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.

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 ESFA.

Other DfE/ESFA capital grants received in the year relate to CIF funding received at River Mead School to replace roofs throughout the 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. In addition, during the previous and current year playing fields were donated to River Mead School.

Early years capital income was received during the year at the Mead to establish a new nursery at the school.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
The Mead Primary School	275,615	350,530
Castle Mead Primary School	61,454	95,516
River Mead Primary School	114,210	157,821
Total before fixed asset fund and pension reserve	451,279	603,867
Restricted fixed asset fund	12,412,276	12,453,633
Pension reserve	(751,000)	(1,885,000)
Total	12,112,555	11,172,500

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 depreciation £	Total 2017 £	Total 2016 £
The Mead Primary School	1,644,982	354,612	132,457	607,095	2,739,146	2,782,770
Castle Mead Primary School	806,684	187,557	130,041	186,323	1,310,605	1,104,314
River Mead Primary School	929,168	165,725	47,713	371,245	1,513,851	1,480,276
	3,380,834	707,894	310,211	1,164,663	5,563,602	5,367,360

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	12,424,853	12,424,853
Current assets	238,511	585,814	17,423	841,748
Creditors due within one year	-	(373,046)	(3,750)	(376,796)
Creditors due in more than one year	-	-	(26,250)	(26,250)
Pension scheme liability	-	(751,000)	-	(751,000)
	238,511	(538,232)	12,412,276	12,112,555

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(464,945)	302,136
Adjustment for:		
Depreciation charges	347,165	357,531
Interest received	(706)	(1,014)
Donation of fixed assets	(48,609)	(278,598)
Increase in debtors	(35,833)	(67,194)
Increase in creditors	15,070	94,841
Capital grants from DfE and other capital income	(141,854)	(321,534)
Defined benefit pension scheme finance cost	229,000	81,000
Net assets transferred on conversion	42,000	32,000
Net cash (used in)/provided by operating activities	<u>(58,712)</u>	<u>199,168</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	664,079	1,088,217
	<u>664,079</u>	<u>1,088,217</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION COMMITMENTS

The Academy Trust'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 2016.

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

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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £481,365 (2016: £464,039).

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).

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
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23. 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 2017 was £341,000 (2016: £310,000), of which employer's contributions totalled £268,000 (2016: £242,000) and employees' contributions totalled £73,000 (2016: £68,000). The agreed contribution rates for future years are 21.4% for employers and 5.5% to 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:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5 years	22.3 years
Females	24.9 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.7 years	26.9 years

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,976,000	1,500,000
Bonds	390,000	313,000
Property	362,000	250,000
Cash	55,000	21,000
Total market value of assets	<u>2,783,000</u>	<u>2,084,000</u>

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

	2017 £	2016 £
Current service cost	(497,000)	(323,000)
Interest income	47,000	66,000
Interest cost	(89,000)	(98,000)
Total	<u>(539,000)</u>	<u>(355,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,969,000	2,400,000
Current service cost	497,000	323,000
Interest cost	89,000	98,000
Employee contributions	73,000	68,000
Actuarial (gains)/losses	(1,090,000)	1,089,000
Benefits paid	(4,000)	(9,000)
Closing defined benefit obligation	<u>3,534,000</u>	<u>3,969,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	2,084,000	1,594,000
Interest income	47,000	66,000
Actuarial gains	315,000	123,000
Employer contributions	268,000	242,000
Employee contributions	73,000	68,000
Benefits paid	(4,000)	(9,000)
Closing fair value of scheme assets	<u>2,783,000</u>	<u>2,084,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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24. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	4,080	4,080
Between 1 and 5 years	-	6,427
Total	<u>4,080</u>	<u>10,507</u>

25. 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 Head Teacher of the Trust, is also a Trustee of Collaborative Schools Limited, a registered charitable company which provided educational support services of £49,585 (2016: £54,794) 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 Head Teachers of local schools. J Bullock, a Trustee, is employed by Collaborative Schools Limited as a Collaborative Schools Co-ordinator.

M Jacob, a Trustee, is a partner of Poppies and Parsnips, a firm that provided gardening education services to the Trust of £6,080 (2016: £7,470) 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.

M Jacob was previously Chair of Trustees. M Jacob was appointed School Business Manager of Castle Mead School in the year. The recruitment process was an open market competitive arms-length process and M Jacob's position as Chair of Trustees had no influence on the recruitment process. She had no involvement in that process other than as a potential candidate. M Jacob immediately ceased her position as Chair of Trustees once the employment position was confirmed. M Jacob is the daughter of M Haines, a Trustee, who was not involved in the decision making process regarding her appointment, and M Jacob is paid within normal pay scales for their role and receives no special relationship as a result of their relationship with a Trustee.

26. CONTROLLING PARTY

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

27. 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.