

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013



**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2013**

Trustees R Bailey, Chair (appointed 21 November 2012)¹
C M Tincknell OBE, Vice Chair (appointed 7 September 2012)¹
T Gale, Chief Executive (appointed 21 November 2012)
R Eggleton (appointed 7 September 2012)^{1 2}
The Bath and Wells DBE Trust (appointed 7 September 2012)¹
L Farley (appointed 21 November 2012)
D McRae (appointed 21 November 2012)²
S Medley (appointed 21 November 2012, resigned 11 September 2013)
J Brown (appointed 11 September 2013)²

¹ Member

² Finance and Audit Committee

**Company registered
number** 08207095

**Principal and registered
office** The Old Deanery
St Andrew's Street
Wells
Somerset
BA5 2UG

Chief executive officer T Gale

Independent auditors Bishop Fleming
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Bankers National Westminster Bank plc
7 High Street
Wells
Somerset
BA5 2AD

Solicitors Quality Solicitors Gould & Swayne
21 Broad Street
Wells
Somerset
BA5 2DJ

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2013**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company and the group for the period ended 31 August 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust (was incorporated on 7 September 2012 and opened as an Multi Academy Trust on 1 April 2013) is a company limited by guarantee and an exempt charity. The charitable company and the group's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees act as the Trustees for the charitable activities of The Bath & Wells Diocesan Academies Trust and are also the directors of the charitable company and the group for the purposes of company law.

Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company and the group 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 cease to be a member.

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £2,000,000.

Principal Activity

The principal activity is to advance for the public benefit education by establishing, maintaining, carrying on, managing and developing schools offering a free education through a broad and balanced curriculum for pupils of different abilities.

TRUSTEES

Method of recruitment and appointment or election of Trustees

As set out in the Memorandum and Articles of Association (M&A) for the Bath & Wells Diocesan Academy Trust (MAT), the members (trustees) of the MAT are:

The Bath & Wells Diocesan Board of Education Trust (DBE Trust) (in its corporate capacity), two members of the Bath & Wells DBE Trust (named individuals) and the Chair of the Board of Directors.

These members then appointed further Directors/Governors in accord with the M&A, with the DBE Trust to maintain a majority of Director/Governor appointments. When appointing new Directors/Governors, the Board will give consideration to the skills and experience mix of existing Directors/Governors in order to ensure that the Board has the necessary skills to contribute fully to the MAT's development. This Board of Directors of the Bath & Wells MAT is the overarching governing body for every school within the MAT.

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**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

A Local Governing Board (LGB) for each individual school was set up post conversion to undertake the day to day running of the school in line with the agreed Scheme of Delegation. The constitution for these LGBs is also set out in the M&A and must include

- A majority of LGB members appointed by the MAT Board of Directors
- At least one member of staff, that being the headteacher/principal
- Two elected parent governors
- A minimum total of 9 LGB members

Provided that the MAT majority of appointed LGB members is maintained, LGBs can request to appoint additional elected staff members. These LGB members were recruited via an advertised process and a skills audit and have had a clear and comprehensive training schedule. LGB members are appointed for a four year period, except that this time limit does not apply to the Headteacher/Principal. Subject to remaining eligible to be a particular type of LGB member, they can be re-appointed/re-elected.

Policies and Procedures adopted for the Induction and Training of Trustees

The MAT has a Director/Governor Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Directors/Governors will depend upon their existing experience. LGB members will have a tour of the Academy and a chance to meet staff and pupils. All Trustees/Directors/Governors and LGB members are provided with copies of the relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. Director/Governor induction tends to be done informally and is tailored specifically to the individual. LGB training has included a standard session for all LGB members, provided by the MAT governance consultant, with subsequent additional training courses as per the skill set needs of the individual LGBs, taking advantage of specific courses offered by the Local Authority and other bodies.

There is a Directors'/Governors' away day organised each year which includes training sessions to keep them updated on relevant developments impacting on their roles and responsibilities. The first annual conference for all LGB members within the MAT is scheduled for Spring 2014.

Organisational Structure

The Board of Directors/Governors meets 6 times per year to monitor closely the academic progress of previously underperforming schools within the MAT, as required by Ofsted and the Department for Education (DfE). An additional meeting takes place at the end of the academic year to review progress. Standard meetings allow for all necessary business to be conducted, including budget setting and monitoring. The Board establishes an overall framework for the governance of the MAT 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 timing of full Directors' meetings sits within a comprehensive schedule of meetings. The Project Board (meeting to assess academic progress in detail at each individual school) meets first with the report/minutes going to the LGB in the first instance. This report is then annotated by the LGB and comes in final form to the MAT Board of Directors for review. The pattern of meetings for the academic year 2013/2014 is fully set.

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

There are currently 2 sub committees of the MAT Board of Directors as follows,

- Finance & Audit Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It is envisaged that a separate Audit committee will be required from 2014/15
- Admissions Committee which meets twice yearly to review and set admission arrangements and as required to deal with in year admissions. It has responsibility for establishing compliant arrangements for admission appeals

Additionally, there are two operational groups

- Academy Leaders' Group – meets termly to share best practice, initiate cross MAT strategies and plan shared CPD
- MAT Operations Board – fortnightly meeting of executive directors and officers to monitor and implement policies and develop recommendations to come to the full Board of Directors for consideration

There is also plans in development to identify the need for other committees and will be reviewed continuously

The following decisions are reserved to the Board of Directors/governors, to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Clerk to the Board of Directors, to appoint the headteacher/principal and deputy head/vice principal and to approve the Annual Development Plan and budget

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

The Trustees and Board of Directors/Governors have devolved responsibility for day to day management of each academy to the LGB and Headteacher/Principal acting within the budget set by the MAT Board of Directors/Governors. The LGB has three sub-committees looking at

- school improvement and staffing
- finance, premises and resources
- ethos (this includes members of the local worshipping community)

There is an Executive Principal with specific responsibility for three of the four initial primary schools that joined the MAT in April 2013 (Kingshill, Churchfield and St John & St Francis). He currently co-ordinates the development of cross-school developments, whole MAT CPD and education initiatives, and chairs the Academy Leaders' Group, also attending the MAT Operations Board. At each of these three schools, a principal has been appointed to lead the school on a day to day basis, reporting to the LGB and the Executive Principal. The headteacher at St James was appointed in September 2012 as headteacher of the predecessor school and principal designate for the post conversion academy.

The leadership structure of each individual school within the MAT is tailored to meet the needs of the specific school, dependent on its number on roll, its academy action plan, its levels of SEN and its budget.

The Chief Executive is the Accounting Officer

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**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

Risk management

The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement

The Academy Trust has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis.

Connected Organisations, including Related Party Relationships

Bath & Wells Diocesan Nurseries Limited (co reg no 08464587) is a related party as a wholly owned subsidiary of the Academy Trust.

The Bath & Wells DBE Trust (a company limited by guarantee with company registration number 07778078) is a related party as Mr Eggleton, Mr Tincknell, Mrs Bailey and Mrs Gale, Directors of the Academy Trust, are also Trustees of the Bath & Wells DBE Trust.

The Board of Education of the Diocese of Bath and Wells (established pursuant to the Diocesan Boards of Education Measure 1991) ("the Board") is a related party as the said Mr Eggleton, Mrs Bailey, Mr Tincknell and Mrs Gale are also members of the said Board.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company is the operation of the Bath & Wells Diocesan Academy Trust, to provide free education and care for pupils of different abilities.

The aims of the Academy during the period from 1 April 2013 and ended 31 August 2013 are summarised below:

- to provide rapid and sustained improvement to the standard of educational attainment and achievement of all pupils
- to establish high quality leadership in each school
- to provide a broad and balanced curriculum, including extra curricular activities
- to develop students as more effective learners.
- to develop each school site to enable students to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to ensure that the learning needs of all pupils are effectively met, including those with SEN and EAL
- to provide value for money for the funds expended
- to develop greater coherence, clarity and effectiveness in systems across each school within the MAT
- to comply with all appropriate statutory and curriculum requirements
- to develop links with high quality providers
- to develop the ethos of each school and the MAT as a whole in line with Bath & Wells Diocesan policy and within the context of each individual community
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

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**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

At the Bath & Wells Multi Academy Trust, we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment, set within a distinctively Christian context.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Action Plan for each school, which is available on each school website. Areas for improvement were identified following the Ofsted inspection of the predecessor school which put them into a category and were approved by the DfE. Improvement focuses identified for this year include:

- to review the structure of each school to best meet the needs of the students and the available budget
- to improve the quality of teaching and learning in line with the new MAT Gold Standard
- to develop a consistent tracking, monitoring and reporting system across all schools within the MAT in line with the MAT Gold Standard
- to develop the learning environment to engage students, staff and parents and help improve attendance rates
- to improve the performance for the end of KS2 SAT assessments for the academic year 2013/2014 to be above floor targets
- to improve key relationships with the local community and improve the public and parental perception of each school, thus leading to higher admission applications
- to develop a single, consistent financial reporting system across all schools within the MAT

Public Benefit

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

The Academy Trust aims to advance for the public benefit, education in the Diocese of Bath & Wells. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development schools, offering a broad curriculum set within a distinctively Christian context.

The MAT provides opportunities for children, their parents and the local communities that it serves through a range of extra-curricula activities and opportunities.

As a MAT, we are working to support all of the schools within the MAT and to develop a culture of mutual support and development across these schools. Within the broader diocesan context, each of these schools remains part of the broader family of church schools and part of that network. The commitment to developing a high quality curriculum, delivered by well trained and effective teaching and support staff, and the sharing of expertise is already under way.

ACHIEVEMENTS AND PERFORMANCE

**Achievements and Performance
GENERAL**

The first four MAT academies came into the Academy Trust in April 2013. Apart from Wendy Nelder, Principal of Churchfield, the other three schools have seen relatively recent changes of leadership. Heather Cunningham was appointed Headteacher at St James in September 2012, Chris Marshall as Principal at St John & St Francis in September 2013 and Kingshill currently has an Interim Principal in Margaret Gwynne with Jan Thomson due to take up the substantive post in January 2014. John Croker was appointed Executive Principal of Churchfield, Kingshill and St John & St Francis in September 2013. With a more settled leadership structure now in place, the academies are moving forward both individually and as a collaborative group, which at present also includes two other MAT academies. The 2013 Key Stage data below reflects performance at the time three of the four schools became academies.

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**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

END OF KEYSTAGE 1 DATA (2013)

| ACADEMY | READING | READING | WRITING | WRITING | MATHS | MATHS |
|---------------------------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|
| [National figures in brackets] | L2B+ [79%] | L3 [29%] | L2B+ [67%] | L3 [15%] | L2B+ [78%] | L3 [23%] |
| Churchfield | 70% | 36% | 57% | 14% | 80% | 21% |
| Kingshill | 78% | 22% | 61% | 4% | 65% | 17% |
| St James | 61% | 8% | 41% | 0% | 61% | 6% |
| St John & St Francis | 87% | 27% | 60% | 12% | 68% | 13% |

END OF KEYSTAGE 2 DATA (2013)

| ACADEMY | READING | READING | WRITING | WRITING | MATHS | MATHS |
|---------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| [National figures in brackets] | L4+ [86%] | L5 [44%] | L4+ [83%] | L5 [30%] | L4+ [85%] | L5 [41%] |
| Churchfield | 82% | 47% | 76% | 18% | 67% | 31% |
| Kingshill | 68% | 32% | 45% | 18% | 77% | 27% |
| St James | 74% | 33% | 56% | 7% | 56% | 26% |
| St John & St Francis | 76% | 26% | 79% | 29% | 81% | 16% |

CHURCHFIELD

In both KS1 and KS2 there has been a rising trend across all areas over the past two years. Reading attainment is above national figures for the first time at both Level 3 and Level 5. The introduction of the Accelerated Reader programme and the development of a more structured guided reading system are seen as major factors in this. The raising of achievement in maths in KS2 and writing at L2B+ and L5 are seen as the priority and measures are being put in place to address these areas. A stable staff and leadership team are confident that the overall rising trend will continue.

KINGSHILL

A strong phonics programme has contributed towards L2B+ outcomes which are in line with national figures at KS1. A more stable leadership team, a focus on developing the quality of teaching and the development of various systems related to school improvement are expected to raise attainment levels across the board.

ST JAMES

The school has developed a new foundation stage structure this September and it is now showing good teaching and learning. Indications are that progress is accelerating. There has been a significant improvement in phonics since 2012 through a systematic teaching programme. There has been a long history of underachievement and a number of measures have been put in place to raise aspirations and levels of attainment.

ST JOHN & ST FRANCIS

The school is pleased with the rising trend in levels of reading at KS1. A strong phonics programme is seen as a major factor in this development. This rising trend is also evident in writing at KS1 where the gap between school and national figures is narrowing. This is also evident at KS2 in writing. The newly formed leadership team is fully aware of what needs to be done and priorities include raising the quality of teaching, ensuring the effectiveness of assessment systems and the development of systems within the curriculum to raise standards of achievement.

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 Going concern policy.

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

Key Financial Performance Indicators

The Bath & Wells Multi Academy Trust is newly formed and in its first operating year, the trustees are looking to develop a list of key financial and performance indicators

A number of financial indicators that will be used in the future will assist the trustees in managing the Trusts financial affairs to ensure efficient operation, liquidity and effective use of resources

The Academy Trust as well at individual academy level will have set targets in relation to its reserves, ensuring the Trust meets its Reserve policy and still be able to manage any unforeseen events

As the Academy Trust grows it will be better able to benchmark budgets and expenditure against a number of criteria, such as staff costs, property costs per school and per pupil

As funding is based on pupil numbers as at the October pupil count this is also a key performance indicator Pupil numbers at October 2012 were 1,299 It is anticipated that this number will continue to rise as more schools join the MAT

FINANCIAL REVIEW

Financial Review

Most of the Academy Trusts income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes The grants received from the DfE during the year ended 31 August 2013 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities

At the year ended 31 August 2013, the total Fund balances at individual academies (note 21) totalled £578K, this represents an increase of £298K due to higher income than expenditure in addition to the transfer of surplus funds from the Local Authority on conversion

At 31 August 2013 the net book value of fixed assets was £12,832,407 and movements in tangible fixed assets are shown in note 17 to the financial statements The assets were used exclusively for providing education and the associated support services to the pupils of the Academy

The land, buildings and other assets were gifted and right to use granted to the Academy Trust upon conversion Land and buildings were professionally valued in September 2012 at £12,378,647 Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives

The balance of the former school's budget share (£280,580) was transferred across on conversion and is shown as Unrestricted Funds

The Academy 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 26 to the financial statements

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, 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

Trustees have adopted a Responsible Officer Policy/internal audit policy and appointed Roger Eggleton to undertake a programme of internal checks on the financial controls

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

Financial and Risk Management Objectives and Policies

The Trustees have assessed the major risks to which the Academy 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 have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of update reports at all full Trustees' and planned for Finance & Audit Committee meetings in 2013/14.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However, 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. This guarantee came into force on 18 July 2013.

Principal Risks and Uncertainties

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

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 22% of the Academy's incoming resources was 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. However, if the value of transfers from local Authorities is removed, this income figure represents 97%.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy'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 dependant on implementing rapid and sustained educational achievement in its academies and continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

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

Staffing - the success of the Academy Trust is reliant on 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 Academy Trust has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

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**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

Reserves Policy

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

The policy of the Board is that the Academy plans to spend the majority of its revenue income each year on the students in its care, but also to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated. The level of reserves required will be reviewed each year by the Board.

These free reserves are held for the investment in buildings, smooth any change in pupil led funding and to provide for any unforeseen liabilities. These reserves will provide a cushion to deal with unexpected emergencies such as urgent maintenance, as well as sums that are set aside from this each year for planned replacement of capital items such as ICT infrastructure etc.

Investment Policy

The Board of Directors are firmly committed to ensuring that all funds under their control are administered under a risk adverse investment strategy. As such the Board do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Due to the nature of the funding cycle, the Academy may at times hold large cash balances which may not be required for immediate use. The Board have authorised the opening of a cash pooling scheme which encompasses all of the Academy current accounts, this sweeps excess funds daily into a special interest bearing account, taking advantage of higher interest rates. Where cash flow allows, sums in excess of £800k may be invested on short term treasury deposit for extended periods.

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 will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy Trust will continue to work with its strategic partners to improve the educational opportunities for pupils in the wider community.

The Academy Trust will seek to sponsor additional schools and also allow voluntary converters to join the Academy Trust. Allowing voluntary schools to join is fundamental to the ethos of the Academy Trust in collaboration and sharing best practice.

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**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

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

AUDITOR

In so far as the Trustees are aware

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

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

Approved by order of the board of trustees on 19 November 2013 and signed on its behalf by



**R Bailey
Chair of Trustees**

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform 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 Bath & Wells Diocesan Academies 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 Trustees' responsibilities statement. The board of trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------------------|-------------------|-------------------|
| R Bailey, Chair | 6 | 6 |
| C M Tincknell OBE, Vice Chair | 6 | 6 |
| T Gale, Chief Executive | 5 | 6 |
| R Eggleton | 6 | 6 |
| The Bath and Wells DBE Trust | 6 | 6 |
| L Farley | 2 | 6 |
| D McRae | 4 | 6 |
| S Medley | 3 | 6 |
| J Brown | 0 | 0 |

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to oversee matters of internal controls, external audit, budget planning, risk management and management accounting.

The first meeting of this sub-committee is to occur after the period end. The full board had previously taken on full responsibility to oversee financial matters.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Bath & Wells Diocesan Academies Trust for the period 7 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the period 7 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy Trust's system of internal financial control is based on a framework of regular management

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed R Eggleton, a Trustee, as Responsible Officer (RO)

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities

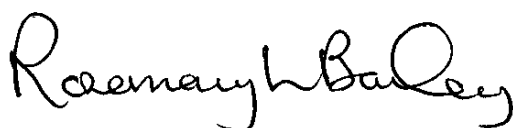
REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer,
- the work of the external auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board and a plan to ensure continuous improvement of the system is in place

Approved by order of the members of the board of trustees on 19 November 2013 and signed on their behalf, by



**R Bailey,
Chair of Trustees**



**T Gale, Chief Executive
Accounting Officer**

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



**T Gale, Chief Executive
Accounting Officer**

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group 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

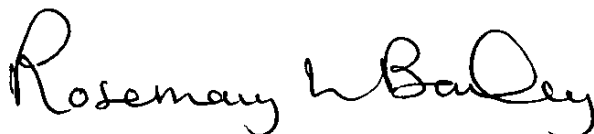
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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 and the group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group'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



**R Bailey,
Chair of Trustees**

Date: 19 November 2013

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BATH & WELLS DIOCESAN
ACADEMIES TRUST**

We have audited the financial statements of The Bath & Wells Diocesan Academies Trust for the period ended 31 August 2013 which comprise the group Statement of financial activities, the group and Academy Trust Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable Academy Trust's affairs as at 31 August 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

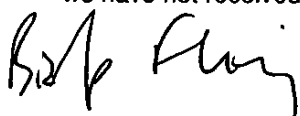
**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BATH & WELLS DIOCESAN
ACADEMIES TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date

18/12/13

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE BATH & WELLS DIOCESAN ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Bath & Wells Diocesan Academies Trust during the period 7 September 2012 to 31 August 2013 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 Bath & Wells Diocesan Academies Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Bath & Wells Diocesan Academies Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Bath & Wells Diocesan Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed

RESPECTIVE RESPONSIBILITIES OF THE BATH & WELLS DIOCESAN ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of The Bath & Wells Diocesan Academies Trust's funding agreement with the Secretary of State for Education dated 25 March 2013 and varied 28 August 2013, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 7 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

APPROACH

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

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

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

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

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 BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE BATH &
WELLS DIOCESAN ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 7 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Joseph Scafe FCA DChA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date 18/12/13

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2013

| | Note | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Restricted fixed asset funds 2013 £ | Total funds 2013 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Transfer from Local Authority on conversion | 2 | 280,580 | (1,638,000) | 12,497,081 | 11,139,661 |
| Other voluntary income | 2 | 667 | 9,975 | 350,000 | 360,642 |
| Activities for generating funds | 3 | 7,462 | - | - | 7,462 |
| Investment income | 4 | 898 | - | - | 898 |
| Incoming resources from charitable activities | | 68,898 | 3,334,649 | - | 3,403,547 |
| TOTAL INCOMING RESOURCES | | 358,505 | 1,706,624 | 12,847,081 | 14,912,210 |
| RESOURCES EXPENDED | | | | | |
| Charitable activities | | 80,975 | 2,979,876 | 128,060 | 3,188,911 |
| Governance costs | 10 | - | 32,390 | - | 32,390 |
| TOTAL RESOURCES EXPENDED | 7 | 80,975 | 3,012,266 | 128,060 | 3,221,301 |
| NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS | | 277,530 | (1,305,642) | 12,719,021 | 11,690,909 |
| Transfers between Funds | 21 | - | (113,386) | 113,386 | - |
| NET INCOME FOR THE YEAR | | 277,530 | (1,419,028) | 12,832,407 | 11,690,909 |
| Actuarial gains and losses on defined benefit pension schemes | | - | (164,000) | - | (164,000) |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 277,530 | (1,583,028) | 12,832,407 | 11,526,909 |
| Total funds at 7 September 2012 | | - | - | - | - |
| TOTAL FUNDS AT 31 AUGUST 2013 | | 277,530 | (1,583,028) | 12,832,407 | 11,526,909 |

All of the Academy Trust's activities derive from acquisitions in the current financial period

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

The notes on pages 24 to 46 form part of these financial statements

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08207095

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2013

| | Note | £ | 2013 £ |
|--|-------------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Tangible assets | 17 | | 12,832,407 |
| CURRENT ASSETS | | | |
| Debtors | 19 | 435,234 | |
| Cash at bank and in hand | | 646,960 | |
| | | <u>1,082,194</u> | |
| CREDITORS: amounts falling due within one year | 20 | <u>(503,692)</u> | |
| NET CURRENT ASSETS | | | <u>578,502</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>13,410,909</u> |
| Defined benefit pension scheme liability | 26 | | <u>(1,884,000)</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u>11,526,909</u> |
| FUNDS OF THE ACADEMY | | | |
| Restricted funds | | | |
| General funds | 21 | 300,972 | |
| Fixed asset funds | 21 | 12,832,407 | |
| | | <u>13,133,379</u> | |
| Restricted funds excluding pension liability | | | |
| Pension reserve | | <u>(1,884,000)</u> | |
| Total restricted funds | | | <u>11,249,379</u> |
| Unrestricted funds | 21 | | <u>277,530</u> |
| TOTAL FUNDS | | | <u>11,526,909</u> |

The financial statements were approved by the Trustees, and authorised for issue, on 19 November 2013 and are signed on their behalf, by



R Bailey
Chair of Trustees

The notes on pages 24 to 46 form part of these financial statements

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08207095

ACADEMY TRUST BALANCE SHEET
AS AT 31 AUGUST 2013

| | Note | £ | 2013 £ |
|--|------|-------------------|-------------------|
| FIXED ASSETS | | | |
| Tangible assets | 17 | | 12,832,407 |
| Investments | 18 | | 1 |
| | | | <u>12,832,408</u> |
| CURRENT ASSETS | | | |
| Debtors | 19 | 510,232 | |
| Cash at bank and in hand | | 571,960 | |
| | | <u>1,082,192</u> | |
| CREDITORS: amounts falling due within one year | 20 | (503,692) | |
| NET CURRENT ASSETS | | | <u>578,500</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>13,410,908</u> |
| Defined benefit pension scheme liability | 26 | | (1,884,000) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u>11,526,908</u> |
| FUNDS OF THE ACADEMY | | | |
| Restricted funds | | | |
| Restricted funds | 21 | 300,972 | |
| Restricted fixed asset funds | 21 | 12,832,407 | |
| | | <u>13,133,379</u> | |
| Restricted funds excluding pension asset | | | |
| Pension reserve | | (1,884,000) | |
| | | <u></u> | |
| Total restricted funds | | | 11,249,379 |
| Unrestricted funds | 21 | | <u>277,529</u> |
| TOTAL FUNDS | | | <u>11,526,908</u> |

The financial statements were approved by the Trustees, and authorised for issue, on 19 November 2013 and are signed on their behalf, by



R Bailey
Chair of Trustees

The notes on pages 24 to 46 form part of these financial statements

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013**

| | Note | 2013 £ |
|--|-------------|-------------------|
| Net cash flow from operating activities | 23 | 829,766 |
| Capital expenditure and financial investment | | (463,386) |
| Cash transferred on conversion to an academy trust | 25 | 280,580 |
| INCREASE IN CASH IN THE PERIOD | | 646,960 |

All of the cash flows are derived from acquisitions in the current financial period

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2013**

| | 2013 £ |
|--|-------------------|
| Increase in cash in the period | 646,960 |
| MOVEMENT IN NET FUNDS IN THE PERIOD | 646,960 |
| NET FUNDS AT 31 AUGUST 2013 | 646,960 |

The notes on pages 24 to 46 form part of these financial statements

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy Trust alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.2 FUND ACCOUNTING

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

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

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

1.3 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

1.4 RESOURCES EXPENDED

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

Charitable activities are costs incurred in the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 one year from the date of approval of the financial statements.

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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.

1.6 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of The Bath & Wells Diocesan Academies Trust and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the period are included from the effective date of acquisition.

The Academy Trust has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the period dealt with in the accounts of the Academy Trust was £11,526,908.

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £2,000 are capitalised

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

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

| | | |
|------------------------------|---|-----------------------------|
| Long term leasehold property | - | Straight Line over 50 years |
| Fixtures and fittings | - | Straight Line over 7 years |
| Computer equipment | - | Straight Line over 3 years |

1.8 INVESTMENTS

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 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.

1.10 PENSIONS

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

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

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.11 CONVERSION TO AN ACADEMY TRUST

The conversion from a collection of state maintained schools to a multi academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Churchfield Church of England VC Primary School (now Churchfield Church School), Kingshill Church of England VC Primary School (now Kingshill Church School), Archbishop Cranmer Church of England VC Primary School (now St James Church School) and St John & St Francis Church of England VA Primary School (now St John & St Francis Church School) to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Bath & Wells Diocesan Academies Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

2. VOLUNTARY INCOME

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Total funds 2013 £ |
|---|--|--|---------------------------------------|
| Transfer from Local Authority on conversion | 280,580 | 10,859,081 | 11,139,661 |
| Donations | 667 | 350,000 | 350,667 |
| Grants | - | 9,975 | 9,975 |
| Subtotal | 667 | 359,975 | 360,642 |
| Voluntary income | 281,247 | 11,219,056 | 11,500,303 |

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Total funds 2013 £ |
|----------|--|--|---------------------------------------|
| Lettings | 7,462 | - | 7,462 |

4. INVESTMENT INCOME

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Total funds 2013 £ |
|---------------|--|--|---------------------------------------|
| Bank interest | 898 | - | 898 |

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Total funds 2013 £ |
|-----------|------------------------------------|----------------------------------|-----------------------------|
| Education | 64,077 | 3,278,531 | 3,342,608 |
| Nursery | 4,821 | 56,118 | 60,939 |
| | <u>68,898</u> | <u>3,334,649</u> | <u>3,403,547</u> |

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Total funds 2013 £ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| DfE/EFA grants | | | |
| General Annual Grant | - | 2,160,906 | 2,160,906 |
| Start up Grants | - | 160,000 | 160,000 |
| Other DfE/EFA grants | - | 898,669 | 898,669 |
| | <u>-</u> | <u>3,219,575</u> | <u>3,219,575</u> |
| Other government grants | | | |
| Special Educational Needs | - | 39,875 | 39,875 |
| Other government grants non capital | - | 12,513 | 12,513 |
| | <u>-</u> | <u>52,388</u> | <u>52,388</u> |
| Other funding | | | |
| Internal catering income | 3,730 | - | 3,730 |
| Other | 60,347 | 6,568 | 66,915 |
| | <u>64,077</u> | <u>6,568</u> | <u>70,645</u> |
| | <u>64,077</u> | <u>3,278,531</u> | <u>3,342,608</u> |

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Total funds 2013 £ |
|-----------|------------------------------------|----------------------------------|-----------------------------|
| Education | 79,430 | 3,052,022 | 3,131,452 |
| Nursery | 1,545 | 55,914 | 57,459 |
| | <u>80,975</u> | <u>3,107,936</u> | <u>3,188,911</u> |

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

| | Staff costs 2013 £ | Premises 2013 £ | Other costs 2013 £ | Total 2013 £ |
|-----------------------------------|--------------------------|-----------------------|--------------------------|--------------------|
| Education | 1,623,794 | 125,143 | 153,381 | 1,902,318 |
| Nursery education | 44,092 | - | 6,515 | 50,607 |
| Support costs - Education | 302,058 | 116,152 | 810,924 | 1,229,134 |
| Support costs - Nursery education | - | 2,101 | 4,751 | 6,852 |
| CHARITABLE ACTIVITIES | 1,969,944 | 243,396 | 975,571 | 3,188,911 |
| GOVERNANCE | - | - | 32,390 | 32,390 |
| | 1,969,944 | 243,396 | 1,007,961 | 3,221,301 |

8. DIRECT COSTS

| | Education £ | Nursery £ | Total 2013 £ |
|------------------------|------------------|---------------|--------------------|
| Pension finance costs | 16,120 | - | 16,120 |
| Educational supplies | 83,049 | 6,515 | 89,564 |
| Staff development | 29,624 | - | 29,624 |
| Other costs | 20,301 | - | 20,301 |
| Agency supply teachers | 1,370 | - | 1,370 |
| Wages and salaries | 1,323,709 | 38,426 | 1,362,135 |
| National insurance | 81,344 | 1,315 | 82,659 |
| Pension cost | 218,741 | 4,351 | 223,092 |
| Depreciation | 128,060 | - | 128,060 |
| | 1,902,318 | 50,607 | 1,952,925 |

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

9. SUPPORT COSTS

| | Education £ | Nursery £ | Total 2013 £ |
|---------------------------------------|------------------|--------------|--------------------|
| Pension finance costs | 14,880 | - | 14,880 |
| Staff development | 619 | - | 619 |
| Other costs | 31,741 | 83 | 31,824 |
| Recruitment and other staff costs | 22,709 | - | 22,709 |
| Maintenance of premises and equipment | 50,512 | 2,225 | 52,737 |
| Cleaning | 11,489 | 152 | 11,641 |
| Rent and rates | 25,707 | 115 | 25,822 |
| Heat and light | 27,215 | 838 | 28,053 |
| Insurance | 82,879 | - | 82,879 |
| Security and transport | 15,456 | - | 15,456 |
| Catering | 39,344 | - | 39,344 |
| Technology costs | 79,714 | 364 | 80,078 |
| Office overheads | 158,597 | 3,075 | 161,672 |
| Legal and professional | 365,401 | - | 365,401 |
| Bank interest and charges | 813 | - | 813 |
| Wages and salaries | 233,033 | - | 233,033 |
| National insurance | 12,355 | - | 12,355 |
| Pension cost | 56,670 | - | 56,670 |
| | <u>1,229,134</u> | <u>6,852</u> | <u>1,235,986</u> |

10. GOVERNANCE COSTS

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Total funds 2013 £ |
|---------------------------|------------------------------------|----------------------------------|-----------------------------|
| Auditors' remuneration | - | 14,500 | 14,500 |
| Auditors' non audit costs | - | 6,000 | 6,000 |
| Legal and Professional | - | 11,890 | 11,890 |
| | <u>-</u> | <u>32,390</u> | <u>32,390</u> |

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

| | Activities undertaken directly 2013 £ | Support costs 2013 £ | Total 2013 £ |
|-----------|---|-------------------------------|--------------------|
| Education | 1,902,318 | 1,229,134 | 3,131,452 |
| Nursery | 50,607 | 6,852 | 57,459 |
| | <u>1,952,925</u> | <u>1,235,986</u> | <u>3,188,911</u> |

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

12. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

| | 2013 £ |
|--|----------------|
| Depreciation of tangible fixed assets - owned by the charitable group | 128,060 |
| Auditors' remuneration | 14,500 |
| Auditors' remuneration - non-audit | 6,000 |
| | <u>148,560</u> |

13. STAFF COSTS

Staff costs were as follows

| | 2013 £ |
|-----------------------|------------------|
| Wages and salaries | 1,595,167 |
| Social security costs | 95,014 |
| Other pension costs | 279,763 |
| | <u>1,969,944</u> |
| Supply teacher costs | 48,799 |
| Compensation payments | 5,300 |
| | <u>2,024,043</u> |

The average number of persons (including the senior management team) employed by the Academy Trust during the period expressed as full time equivalents was as follows

| | 2013 No. |
|----------------------------|-------------|
| Teachers | 53 |
| Educational support | 64 |
| Administration and Support | 30 |
| Management | 4 |
| | <u>151</u> |

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

| | 2013 No. |
|-------------------------------|-------------|
| In the band £60,001 - £70,000 | 2 |

Two of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £1,541 for the 5 month period

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

14 CENTRAL SERVICES

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

- Human Resources
- Financial Services
- Legal Services

The Academy Trust charges for these services on the following basis

5% of GAG or EYSFF funding for each Academy

The actual amounts charged during the year were as follows

| | 2013 £ |
|---|---------------|
| Churchfield Church School | 36,391 |
| Kingshill Church School | 14,328 |
| St James Church School | 23,484 |
| St John & St Francis Church School | 32,983 |
| Bath And Wells Diocesan Nurseries Limited | 2,619 |
| | <hr/> |
| Total | 109,805 <hr/> |

15. TRUSTEES' REMUNERATION AND EXPENSES

During the period ended 31 August 2013, expenses totalling £1,314 were reimbursed to 3 Trustees

16. 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 £2,000,000 on any one claim and the cost for the period ended 31 August 2013 was £821

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

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

17. TANGIBLE FIXED ASSETS

| GROUP | Long Term Leasehold Property £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|------------------------|---|--|-------------------------------------|--------------------|
| COST | | | | |
| At 7 September 2012 | - | - | - | - |
| Additions | 389,023 | 59,212 | 15,152 | 463,387 |
| Transfer on conversion | 12,378,647 | 15,633 | 102,800 | 12,497,080 |
| At 31 August 2013 | 12,767,670 | 74,845 | 117,952 | 12,960,467 |
| DEPRECIATION | | | | |
| At 7 September 2012 | - | - | - | - |
| Charge for the period | 107,223 | 4,455 | 16,382 | 128,060 |
| At 31 August 2013 | 107,223 | 4,455 | 16,382 | 128,060 |
| NET BOOK VALUE | | | | |
| At 31 August 2013 | 12,660,447 | 70,390 | 101,570 | 12,832,407 |

| ACADEMY TRUST | Long Term Leasehold Property £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-----------------------|---|--|-------------------------------------|--------------------|
| COST | | | | |
| At 7 September 2012 | - | - | - | - |
| Additions | 389,023 | 59,212 | 15,152 | 463,387 |
| Transfers intra group | 12,378,647 | 15,633 | 102,800 | 12,497,080 |
| At 31 August 2013 | 12,767,670 | 74,845 | 117,952 | 12,960,467 |
| DEPRECIATION | | | | |
| At 7 September 2012 | - | - | - | - |
| Charge for the period | 107,223 | 4,455 | 16,382 | 128,060 |
| At 31 August 2013 | 107,223 | 4,455 | 16,382 | 128,060 |
| NET BOOK VALUE | | | | |
| At 31 August 2013 | 12,660,447 | 70,390 | 101,570 | 12,832,407 |

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

18. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|----------------------|---|
| ACADEMY TRUST | |
| MARKET VALUE | |
| At 7 September 2012 | - |
| Additions | 1 |
| | <hr/> |
| At 31 August 2013 | 1 |
| | <hr/> <hr/> |

19. DEBTORS

| | GROUP | ACADEMY TRUST |
|------------------------------------|--------------|--------------------------|
| | 2013 | 2013 |
| | £ | £ |
| Amounts owed by group undertakings | - | 74,998 |
| VAT recoverable | 139,939 | 139,939 |
| Other debtors | 5,748 | 5,748 |
| Prepayments and accrued income | 289,547 | 289,547 |
| | <hr/> | <hr/> |
| | 435,234 | 510,232 |
| | <hr/> <hr/> | <hr/> <hr/> |

20. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

| | GROUP | ACADEMY TRUST |
|------------------------------------|--------------|--------------------------|
| | 2013 | 2013 |
| | £ | £ |
| Trade creditors | 216,413 | 216,413 |
| Other taxation and social security | 68,814 | 68,814 |
| Other creditors | 878 | 878 |
| Accruals and deferred income | 217,587 | 217,587 |
| | <hr/> | <hr/> |
| | 503,692 | 503,692 |
| | <hr/> <hr/> | <hr/> <hr/> |

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

21. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|--|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General funds | - | 358,505 | (80,975) | - | - | 277,530 |
| RESTRICTED FUNDS | | | | | | |
| General Annual Grant (GAG) | - | 2,160,906 | (2,095,629) | (11,617) | - | 53,660 |
| EYSFF | - | 52,374 | (52,374) | - | - | - |
| Pupil Premium | - | 150,875 | (131,893) | - | - | 18,982 |
| Special Educational Needs | - | 43,454 | (39,087) | - | - | 4,367 |
| Devolved Formula Capital | - | 31,294 | - | (14,388) | - | 16,906 |
| EAL | - | 12,513 | (12,513) | - | - | - |
| Lotto | - | 9,975 | - | - | - | 9,975 |
| Rates | - | 6,733 | (6,733) | - | - | - |
| Post Opening Start Up Grant | - | 160,000 | (28,300) | - | - | 131,700 |
| EIG | - | 100,000 | (11,830) | (83,671) | - | 4,499 |
| Conversion Grant | - | 616,500 | (551,907) | (3,710) | - | 60,883 |
| Pension reserve | - | (1,638,000) | (82,000) | - | (164,000) | (1,884,000) |
| | - | 1,706,624 | (3,012,266) | (113,386) | (164,000) | (1,583,028) |
| RESTRICTED FIXED ASSET FUNDS | | | | | | |
| Fixed assets transferred on conversion | - | 12,497,081 | (119,188) | - | - | 12,377,893 |
| Fixed assets purchased from other restricted funds | - | - | (5,955) | 113,386 | - | 107,431 |
| Donation from the Local Authority | - | 350,000 | (2,917) | - | - | 347,083 |
| | - | 12,847,081 | (128,060) | 113,386 | - | 12,832,407 |
| Total restricted funds | - | 14,553,705 | (3,140,326) | - | (164,000) | 11,249,379 |
| Total of funds | - | 14,912,210 | (3,221,301) | - | (164,000) | 11,526,909 |

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

RESTRICTED FUNDS

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

21. STATEMENT OF FUNDS (continued)

EYSFF - Early Years Single Funding Formula - Income from the Local Authority which is to be used to provide early years education

Pupil Premium - Pupil premium represents funding received from the EFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers

Special Educational Needs - Funding received by the Local Authority to fund further support for students with additional needs

Devolved formula capital - This represents funding from the EFA to cover the maintenance and purchase of the academy's assets

EAL - English as an Additional Language - Income from the Local Authority to be used to teach English as an additional language and for the teaching of bilingual pupils

Lotto - A grant received from the Big Lottery in August 2013 to increase participation in after school clubs and providing clubs in school holidays

Rates - Relates to grant funding to be used to reimburse the costs of rates paid by the Academy Trust

Post Opening Start Up Grant - This represents one off funding received from the EFA to contribute to the cost of setting up the Multi Academy Trust, supporting schools through conversion and transition. In addition fully sponsored get additional funding in years 1 and 2 to support the school through the transition process for the first 2 years of being an Academy

EIG - Environmental Improvement Grants - These are grants provided by the EFA to be spent on light capital works intended to have an impact on pupil learning spaces and to make a visual statement that the 'old school' has become an Academy

Conversion Grants - This represents one off funding received from the EFA to contribute to the cost of converting from a school to an academy. A large proportion of the carry forward on this grant is in relation to Cheddon an Academy due to convert at the start of the next academic year

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion – This represents the buildings and equipment donated to the schools from the Local Authority on conversion to an academy

Fixed assets purchased from other restricted funds - This represents fixed assets purchased from EIG, DFC, GAG or conversion grant income

Donation from local authority - Relates to building work carried out around conversion date that was funded and paid for by the local authority

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 2013

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

21. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2013 were allocated as follows

| | |
|---|-------------|
| Head Office | 81,848 |
| Churchfield Church School | 185,482 |
| Kingshill Church School | 67,916 |
| St James Church School | 208,613 |
| St John & St Francis Church School | 16,183 |
| Bath And Wells Diocesan Nurseries Limited | 18,460 |
| Total before fixed asset fund and pension reserve | 578,502 |
| Restricted fixed asset fund | 12,832,407 |
| Pension reserve | (1,884,000) |
| Total | 11,526,909 |

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy excluding depreciation during the year was as follows

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding dep'n £ | Total £ |
|---|---|--------------------------------|---------------------------|----------------------------------|------------|
| Head Office | - | 71,947 | 1,370 | 66,089 | 139,406 |
| Churchfield Church School | 579,011 | 71,103 | 25,384 | 249,876 | 925,374 |
| Kingshill Church School | 192,256 | 33,519 | 18,375 | 242,155 | 486,305 |
| St James Church School | 345,767 | 42,837 | 20,658 | 224,633 | 633,895 |
| St John & St Francis Church School | 480,409 | 58,003 | 38,932 | 192,684 | 770,028 |
| Bath And Wells Diocesan Nurseries Limited | 44,092 | - | 6,515 | 5,624 | 56,231 |
| Pension Reserve | 26,520 | 24,480 | - | 31,000 | 82,000 |
| | 1,668,055 | 301,889 | 111,234 | 1,012,061 | 3,093,239 |

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|------------------------------|----------------------|-------------------------|-------------------------|-----------------------|----------------------|----------------------|
| General funds | - | 358,505 | (80,975) | - | - | 277,530 |
| Restricted funds | - | 1,706,624 | (3,012,266) | (113,386) | (164,000) | (1,583,028) |
| Restricted fixed asset funds | - | 12,847,081 | (128,060) | 113,386 | - | 12,832,407 |
| | - | 14,912,210 | (3,221,301) | - | (164,000) | 11,526,909 |

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

22 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Restricted fixed asset funds 2013 £ | Total funds 2013 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 12,832,407 | 12,832,407 |
| Current assets | 277,530 | 804,664 | - | 1,082,194 |
| Creditors due within one year | - | (503,692) | - | (503,692) |
| Provisions for liabilities and charges | - | (1,884,000) | - | (1,884,000) |
| | <u>277,530</u> | <u>(1,583,028)</u> | <u>12,832,407</u> | <u>11,526,909</u> |

23. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2013 £ |
|--|----------------|
| Net incoming resources before revaluations | 11,690,909 |
| Net assets transferred on conversion | (11,139,661) |
| Depreciation of tangible fixed assets | 128,060 |
| Increase in debtors | (435,234) |
| Increase in creditors | 503,692 |
| Defined benefit pension scheme adjustments | 82,000 |
| NET CASH INFLOW FROM OPERATIONS | <u>829,766</u> |

| | 2013 £ |
|---|------------------|
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | |
| Purchase of tangible fixed assets | <u>(463,386)</u> |

24. ANALYSIS OF CHANGES IN NET FUNDS

| | 7 September 2012 £ | Cash flow £ | Other non-cash changes £ | 31 August 2013 £ |
|--------------------------|-----------------------------|----------------|-----------------------------------|------------------------|
| Cash at bank and in hand | - | 646,960 | - | 646,960 |
| NET FUNDS | <u>-</u> | <u>646,960</u> | <u>-</u> | <u>646,960</u> |

THE BATH & WELLS DIOCESAN ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

25. CONVERSION TO AN ACADEMY TRUST

On 1 April 2013 Churchfield Church of England VC Primary School (now Churchfield Church School), Kingshill Church of England VC Primary School (now Kingshill Church School), Archbishop Cranmer Church of England VC Primary School (now St James Church School) and St John & St Francis Church of England VA Primary School (now St John & St Francis Church School) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Bath & Wells Diocesan Academies Trust from Somerset County Council and North Somerset Council for £NIL consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|---|----------------------------|--------------------------|---|---------------------|
| Tangible fixed assets | | | | |
| - Freehold/leasehold land and buildings | - | - | 12,378,647 | 12,378,647 |
| - Other tangible fixed assets | - | - | 118,433 | 118,433 |
| Budget surplus/(deficit) on LA funds | 280,580 | - | - | 280,580 |
| LGPS pension surplus/(deficit) | - | (1,638,000) | - | (1,638,000) |
| Net assets/(liabilities) | <u>280,580</u> | <u>(1,638,000)</u> | <u>12,497,080</u> | <u>11,139,660</u> |

The above net assets include £280,580 that were transferred as cash

The assets received on conversion by each school are as follows

Churchfield Church of England VC Primary School (now Churchfield Church School) - Land and buildings £5,112,555, Other tangible fixed assets £118,433, and Budget surplus on LA funds £96,711

Kingshill Church of England VC Primary School (now Kingshill Church School) - Land and buildings £1,734,421, and Budget surplus on LA funds £41,720

Archbishop Cranmer Church of England VC Primary School (now St James Church School) - Land and buildings £2,961,594, and Budget surplus on LA funds £88,672

St John & St Francis Church of England VA Primary School (now St John & St Francis Church School) - Land and buildings £2,570,078, and Budget surplus on LA funds £18,454

Archbishop Cranmer Church of England VC Primary School Nursery (now Bath and Wells Diocesan Nurseries Limited) - Budget surplus on LA funds £35,023

Somerset County Council Pension Scheme deficit of £1,420,000 transferred upon the conversion of Churchfield Church of England VC Primary School (now Churchfield Church School), Archbishop Cranmer Church of England VC Primary School (now St James Church School) and St John & St Francis Church of England VA Primary School (now St John & St Francis Church School)

Avon Pension Fund Scheme deficit of £218,000 transferred upon the conversion of Kingshill Church of England VC Primary School (now Kingshill Church School)

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS

The group'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 Somerset County Council and Avon Pension Fund Both are defined benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010

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

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts First, a standard contribution rate (SCR) was determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004 The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million The assumed real rate of return was 3.5% in excess of prices and 2% in excess of

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26. PENSION COMMITMENTS (continued)

earnings The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The group is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the group has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The group 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 period ended 31 August 2013 was £123,000, of which employer's contributions totalled £88,000 and employees' contributions totalled £35,000. The agreed contribution rates for future years are 15.1% for employers and 5.5 - 5.8% 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.

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26. PENSION COMMITMENTS (continued)

As described in note 25 the LGPS obligation relates to the employees of the group, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the group at the balance sheet date.

The amounts recognised in the Balance sheet are as follows

| | 2013 £ |
|-------------------------------------|--------------------|
| Present value of funded obligations | (2,571,000) |
| Fair value of scheme assets | 687,000 |
| Net liability | <u>(1,884,000)</u> |

The amounts recognised in the Statement of financial activities are as follows

| | 2013 £ |
|----------------------------------|------------------|
| Current service cost | (139,000) |
| Interest on obligation | (44,000) |
| Expected return on scheme assets | 13,000 |
| Total | <u>(170,000)</u> |

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

| | 2013 £ |
|--------------------------------------|------------------|
| Current service cost | 139,000 |
| Interest cost | 44,000 |
| Contributions by scheme participants | 35,000 |
| Actuarial Losses | 184,000 |
| Benefits paid | (15,000) |
| Liability transferred on conversion | 2,184,000 |
| Closing defined benefit obligation | <u>2,571,000</u> |

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FOR THE PERIOD ENDED 31 AUGUST 2013

26. PENSION COMMITMENTS (continued)

Movements in the fair value of the group's share of scheme assets

| | 2013 £ |
|---------------------------------|----------------|
| Expected return on assets | 13,000 |
| Actuarial gains and (losses) | 20,000 |
| Contributions by employer | 88,000 |
| Contributions by employees | 35,000 |
| Benefits paid | (15,000) |
| Asset transferred on conversion | 546,000 |
| | <u>687,000</u> |

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of total recognised gains and losses was £(164,000)

The group expects to contribute £221,000 to its Defined benefit pension scheme in 2014

The major categories of scheme assets as a percentage of total scheme assets are as follows

| | 2013 |
|-------------|---------|
| Equities | 73.00 % |
| Gilts | 6.00 % |
| Other bonds | 11.00 % |
| Property | 8.00 % |
| Cash | 2.00 % |

Somerset County Council

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

| | 2013 |
|--|--------|
| Discount rate for scheme liabilities | 4.70 % |
| Expected return on scheme assets at 31 August | 3.70 % |
| Rate of increase in salaries | 5.10 % |
| Rate of increase for pensions in payment / inflation | 2.90 % |

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

| | 2013 |
|----------------------|------------|
| Retiring today | |
| Males | 20.1 years |
| Females | 24.1 years |
| Retiring in 20 years | |
| Males | 22.1 years |
| Females | 26.0 years |

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

Avon Pension Fund

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

| | 2013 |
|--|---------------|
| Discount rate for scheme liabilities | 4.60 % |
| Expected return on scheme assets at 31 August | 5.89 % |
| Rate of increase in salaries | 3.90 % |
| Rate of increase for pensions in payment / inflation | 2.40 % |

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

| | 2013 |
|----------------------|-------------------|
| Retiring today | |
| Males | 22.9 years |
| Females | 25.9 years |
| Retiring in 20 years | |
| Males | 25.2 years |
| Females | 28.2 years |

Amounts for the current period are as follows

Defined benefit pension schemes

| | 2013 |
|--|--------------------|
| | £ |
| Defined benefit obligation | (2,571,000) |
| Scheme assets | 687,000 |
| Deficit | (1,884,000) |
| Experience adjustments on scheme liabilities | (184,000) |
| Experience adjustments on scheme assets | 20,000 |

27. RELATED PARTY TRANSACTIONS

During the period the Academy Trust transferred funds to and from, Bath and Wells Nurseries Limited, a subsidiary company. At the year end the balance outstanding from Bath and Wells Nurseries Limited amounted to £56,539.

During the period the Academy Trust was recharged £94,585 by The Diocese of Bath & Wells, an entity with common ultimate control, for the cost of office overheads. At the year end a balance of £111 was due to The Diocese of Bath & Wells.

28. POST BALANCE SHEET EVENTS

Since the year end 2 new schools have joined the Multi Academy Trust from the 1 September 2013, further schools are planned to be added in the future for further details see the Trustees report.

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29. CONTROLLING PARTY

The ultimate controlling party is The Bath & Wells Diocesan Board of Education Trust by virtue of holding the ability to appoint the majority of the Board of Directors

30. PRINCIPAL SUBSIDIARIES

| Company name | Country | Percentage Shareholding | Description |
|--|----------------|------------------------------------|--------------------|
| Bath And Wells Diocesan Nurseries Limited | UK | 100% | Nursery |