

**BATH & WELLS**  
**Multi Academy Trust**

'That they may have life, life in all its fullness' John 10:10

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

Registered Number 08207095

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**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**

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Members:	R Bailey N May (appointed 25 May 2016) The Bath and Wells DBE Trust (S Robinson) The Rt Revd Ruth Worsley (appointed 25 May 2016) R Eggleton (resigned 25 May 2016) WPL Simmons (resigned 25 May 2016)
Trustees:	R Bailey – Chair P Avery (resigned 8 December 2015) PJ Bowditch J Brown R Eggleton J Fionda (resigned 4 February 2016) T Gale D MacRae P Mountstephen (resigned 12 February 2016) R Newton WPL Simmons GD Stobart J Thompson (resigned 14 July 2016) N Daniel (appointed 22 September 2015) J McGillivray (appointed 14 July 2016) T Blackshaw (appointed 11 April 2016)
Company name	The Bath & Wells Diocesan Academies Trust
Company registered number	08207095
Principal and Registered Office	The Old Deanery St Andrews Street Wells Somerset BA5 2UG
Accounting Officer	Philip Bowditch (from 1 June 2016)

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*P Bowditch and J Brown acting as joint Chief Executive Officers and Accounting Officers in the interim period*

Solicitors  
Taylor Culshaw Limited  
60 High Street  
Burnham on Sea  
Somerset TA8 1AG

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST  
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**TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2016**

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

At 31 August 2016 the Trust operated 14 primary academies in The Bath & Wells Diocese. It had a combined pupil roll of 3,460 at July 2016. On 1 September 2016 2 primary academies joined the Trust, with an additional 630 pupils. On 1 November 2016 a further primary academy joined the Trust, with an additional 419 pupils.

Within the following reports the Bath & Wells Diocesan Academies Trust may be referred to as the Bath & Wells MAT, the Academy Trust or the MAT all of these terms are interchangeable.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust 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 of the Bath & Wells Diocesan Academies Trust 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 year 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 they are 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.

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

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**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 Academies Trust (MAT), the members of the MAT are:

The Bath & Wells Diocesan Board of Education Trust (DBE Trust) (in its corporate capacity), two members appointed by the Bath & Wells DBE Trust (named individuals) and the Chair of the Board of Directors; these members then appointed further Trustees in accord with the M&A, with the DBE Trust to maintain a majority of Trustee appointments.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the MAT's development. This Board of Directors of the Bath & Wells MAT is the overarching governing body for every school within the MAT.

A Local Governing Board (LGB) for each individual school was set up post-conversion to undertake the day to day running of each 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 are 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 published and continues to develop a Bath & Wells MAT LGB handbook which is publicly available on its website.

The training and induction provided for new Trustees will depend upon their existing experience. LGB members will have a tour of the school and a chance to meet staff and pupils. All Trustees and LGB members are provided with copies of the relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role. Trustee induction tends to be done informally and is tailored specifically to the individual. LGB training includes specific courses offered by the Local Authority and other bodies.

The Chairs of each LGB within the MAT meet 3 times a year with the executive directors and discuss a range of governance issues.

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

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**Organisational Structure**

The Board of Trustees meets at least 6 times per year to monitor closely the academic progress of schools within the MAT, as required by Ofsted and the Department for Education (DfE). A 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.

There are currently 4 sub committees of the MAT Board of Directors as follows:

- Finance and Audit Committee – this meets at least three 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 and drafting the annual budget including setting staffing levels. It also receives Internal Audit Reports and provides independent assurance to the board and monitors the risk management strategy.
- Learning and Achievement Committee – to review assessment and performance data from each academy
- HR and Remuneration Committee – this meets at least three times a year to discuss pay policies and awards, reviews Headteachers performance management process and general human resource policies
- 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.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Schools and their committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Clerk to the Board of Directors and to approve the Annual Development Plan and budget.

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

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

- School improvement and staffing
- Finance, premises and resources
- Ethos (this includes members of the local worshipping community)

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

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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.

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

The HR and Remuneration sub-committee are responsible for general HR policy and procedures. All management posts are evaluated under the job evaluation scheme. Salaries are determined by a number of factors, these include scope, impact, external benchmarking and affordability.

**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 R Eggleton, R Bailey and W Simmons, Directors of the Academy Trust, are also Trustees of the Bath & Wells DBE Trust.

The members of the Bath & Wells Diocesan Academies Trust are R Eggleton (resigned 25<sup>th</sup> May 2016), W Simmons (resigned 25<sup>th</sup> May 2016) R Bailey, N May (appointed 25<sup>th</sup> May 2016), R Worsely (appointed 25<sup>th</sup> May 2016), S Robinson (DBE Trust representative), 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 R Eggleton, R Bailey and W Simmons are also members of the said Board.



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

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**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 aims of the Academy Trust are:

- All pupils attend a good and better school with a broad, balanced and inspiring curriculum.
- All pupils make good and better progress, relative to their starting point.
- Year on year, more pupils across the Trust achieve and exceed age related expectations in reading, writing and mathematics.
- Every pupil develops academically, socially, emotionally and spiritually within a distinctive Christian ethos.

**Objectives, Strategies and Activities**

Key priorities for the year are contained in our Strategic improvement plan.

Our strategic aims will enable us to achieve the best possible outcomes for pupils.

<b>Strategic Aim 1</b>  <b>Teaching and learning promotes life-long learners</b>	1.1 Secure collaboration, support and challenge. 1.2 Facilitate high quality professional development. 1.3 Provide effective recruitment, succession planning and induction. 1.4 Value, support and engage.
<b>Strategic Aim 2</b>  <b>Business, finance and resources support teaching and learning</b>	2.1 Deliver a strong financial plan. 2.2 Provide high quality services. 2.3 Effectively manage premises and resources. 2.4 Maintain measured and strategic growth.
<b>Strategic Aim 3</b>  <b>Leadership and governance enables successful teaching and learning</b>	3.1 Secure effective Trust, hub and school leadership. 3.2 Embed safeguarding procedures and practice. 3.3 Develop effective governance.

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

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**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity 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 establishing, maintaining, managing and developing academies, offering a broad curriculum set within a distinctively Christian ethos.

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

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

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**STRATEGIC REPORT**

**Achievements and Performance**

**1. Pupil outcomes Bath & Wells Multi Academy Trust (BWMAT): 2016**

**KS2 Floor Standards**

Improvements in pupils' attainment and progress have been evident in 2016 KS2 outcomes. In 2014 pupil outcomes at the end of KS2 in Reading, Writing and Mathematics (RWM) combined was 11% below the national average. In 2015 this had reduced to 4%

In 2016 the national assessment framework was revised and the results are not directly comparable to previous years. However, the RWM combined Expected Attainment Measure was the same as the National average at 53%.

<b>RWM combined</b>	<b>% Achieving the Expected Attainment Measure</b>
	<b>2016</b>
<b>BWMAT</b>	<b>53.2</b>
<b>National 2016</b>	<b>53.0</b>

**2. In relation to pupil progress:**

In 2014 the proportion of pupils making expected progress was 4% below the national average in reading, 7% lower in mathematics and equal to the national average in writing.

In 2015 the proportion of pupils making expected progress was 2% below the national average in reading, 2% lower in mathematics and equal to the again national average in Writing.

In 2016 although not directly comparable to previous years, progress rates have improved in relation to national averages.

<b>Progress Measures 2016</b>	<b>Reading Progress</b>	<b>Maths Progress</b>	<b>Writing Progress</b>
<b>BWMAT</b>	<b>+0.7</b>	<b>+0.5</b>	<b>+1.1</b>
<b>National 2016</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Floor targets 2016</b>	<b>-5.0</b>	<b>-5.0</b>	<b>-7.0</b>

In 2016 progress rates are above the national average in all core subjects.

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

**3. When analysed by subject**

Pupils' attainment by the end of 2016 is slightly above the national average in reading and writing although still slightly below in mathematics and spelling, punctuation and grammar (SPAG)

	Key Stage 2 Assessments			
	SPAG	Reading	Writing	Maths
	% Age Related Expectations (ARE) or above			
<b>BWMAT Average</b>	<b>70.2</b>	<b>66.5</b>	<b>75.7</b>	<b>68.1</b>
<b>National 2016</b>	<b>72.0</b>	<b>66.0</b>	<b>74.0</b>	<b>70.0</b>

**4. Key Stage 1 attainment**

In 2015 the proportion of pupils achieving the expected standard improved at a much greater rate than national improvement rates. The proportion of pupils achieving the expected standard and higher was in line with the national averages although slightly lower in mathematics.

In 2016 the proportion of pupils achieving the expected standard was above the national average in writing and mathematics although slightly lower in reading.

	Key Stage 1 Assessments		
	Reading	Writing	Maths
	% ARE or above		
<b>BWMAT Average</b>	<b>72.3</b>	<b>74.9</b>	<b>80.4</b>
<b>National 2016</b>	<b>74</b>	<b>65</b>	<b>73</b>

**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 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 FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**FINANCIAL REVIEW**

**Financial Review**

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

At the year ended 31 August 2016, the total fund balances at individual academies (note 21) totalled £1,779K this represented an increase of £1,041K from 31 August 2015. This position is being distorted by £513K of capital income from the DfE not yet committed but due to be spent in 2016/17. An amount of £108K had been held as committed capital income at 31 August 2015. When eliminating the capital distortion and the unrestricted fixed asset depreciation of £11K from the balances there has been an increase of £647K on funds, this is partially due to 4 new schools adding £230K to balances at year end and also due to existing schools building reserves in line with the Academy Trust's reserve policy.

At 31 August 2016 the net book value of fixed assets was £37,668K and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The buildings were gifted and right to use granted to the Academy Trust upon conversion. The buildings were professionally valued on conversion, the combined values added in the year total £14,962K.

The balance of the former schools' budget share, £212K was transferred across on conversion (note 28).

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 27 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 Teachers, managers, budget holders and other staff, as well as delegated authority for spending.

The Trustees decided that it was appropriate, as the Academy Trust expanded, to procure external advisors to deliver an internal audit function to provide robust assurance that its financial controls and risk management strategy were effective and that the Trust is operating within its funding agreement.

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST  
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**TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**Reserves Policy**

The Board of Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the 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.

The level of reserves recommended by the Board for 2015/16 is 7-12%. At year end the level of free reserves as a percentage of related income is 6.5%.

These free reserves are held for the investment in buildings, to smooth any change in pupil led funding and to provide for any unforeseen liabilities. These reserves will provide a cushion to deal with the unexpected emergencies such as urgent maintenance.

In addition to free reserves capital sums are set aside each year for planned replacement of capital items such as ICT infrastructure etc.

**Investment Policy**

The Board of Trustees are firmly committed to ensuring that all funds under their control are administered in 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.

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

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**PRINCIPAL RISKS AND UNCERTAINTIES**

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

Reputational – the continuing success of the Academy Trust is dependent 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.

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 95.7% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the Academy'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.

Non-controllable increases in cost – recent changes in Local Government Pension Scheme (LGPS) legislation has resulted in unforeseen and high increases in support staff costs.

Fraud and mismanagement of funds – The Academy Trust has engaged the services of an internal audit provider to carry out checks on financial systems 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.

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.

The Academy Trust 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 by the Trustees.

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

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**PLANS FOR FUTURE PERIODS**

We are working towards all of our schools, including our most vulnerable, providing an outstanding education of mind, body and spirit for all of our pupils. Through our 2016/17 Strategic and Growth Plans, we have a route map to move our Trust from 'developing' to embedding' in its self-evaluation.

Key actions in the Strategic and Growth Plans for 2016-17 include:

- We aim to have pupil outcomes above the national average, for the end of each key stage.
- Ensuring our growth is strategically planned and adds high quality capacity within our organisation. All Saints Montacute has been granted an Academy order to join the Academy Trust in the near future. A number of schools and groups of schools are pursuing an initial expression of interest in joining the Academy Trust
- Providing high quality MAT wide CPD for all groups, developing: leadership, teaching, learning (including assessment) for teachers and leaders; training for teaching assistants and governors.
- The development of the North Somerset, South Somerset and Taunton hubs: rigorous, collaborative school improvement and locally determined professional development.
- Further developing succession planning
- Increased capacity of the Academy Trust Senior Leadership team.
- Recruiting new Trustees to support and strengthen the existing Board through new avenues such as the Academy Ambassadors programme
- To be outward looking – further developing links with teaching schools and other trusts.
- 'Understanding Christianity' project being developed in all of our schools.

**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.



**THE BATH & WELLS DIOCESAN ACADEMIES TRUST  
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**TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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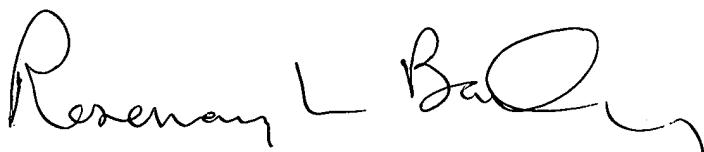
**AUDITORS**

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 LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 9 December 2016 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'R Bailey', is written over a horizontal line.

**R Bailey  
Chair of Trustees**

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST  
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**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 to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
R Bailey	4	6
P Avery	0	1
P Bowditch	6	6
J Brown	6	6
R Eggleton	5	6
J Fionda	0	2
T Gale	5	6
D MacRae	4	6
P Mountstephen	1	3
R Newton	6	6
W Simmons	5	6
G Stobart	4	6
J Thompson	6	6
N Daniel	5	6
J McGillivray	2	2
T Blackshaw	1	2

This equates to 79% Trustees attendance

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**GOVERNANCE STATEMENT (continued)**

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**Governance reviews:**

The Trustees undertook a skills audit in the period to assess its current position, after a number of trustees indicated that they would soon be stepping down.

After consultation with its members, the Academy Trust, with the assistance of the Academy Ambassadors programme, advertised nationally for a number of new Trustees. The appointment of new Trustees will be completed by the end of the year.

A review of governance also highlighted a number of changes to be implemented :

- The separation of the members and trustees
- Three new trustees were approached and appointed
- The review also suggested that there should be only one executive director on the board – namely the Chief Executive Officer

The Finance and Audit Committee was a sub-committee of the main Board of Trustees for the year ended 31 August 2016. Its purpose was to monitor, evaluate and review policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting and drafting the annual budget including setting staffing levels, to oversee matters of internal control and external audit, receive Internal Audit reports and to provide independent assurance to the board and monitors the risk management strategy.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
R Eggleton, Chair	5	5
P Mountstephen	0	2
J Brown	5	5
T Gale	3	5
D McRae	2	5
R Newton	5	5
N Daniel	5	5

**REVIEW OF VALUE FOR MONEY**

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

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

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

**GOVERNANCE STATEMENT (continued)**

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- With a sharp focus on raising pupil outcomes and improved training and support for teaching staff, the MAT has been able to increase the proportion of pupils achieving the expected standard and above in reading, writing and mathematics, from below the national average in 2015 to the national average in 2016.
- During the 2015/16 financial year, a further 4 schools joined the Trust which effectively reduced the senior leadership overhead costs, as it can be apportioned over a larger base of schools becoming more economical. This also allows the Trust to be able to offer a greater depth and wider range of support services to all the schools.
- The Trust and all of its schools faced increased costs in the financial year, namely employee costs relating to superannuation, national insurance and agreed cost of living rises. These cost pressures were unfunded and general funding from the EFA remained static at a cash level from the previous year. The Trust and its school maintained its level of provision and overall financial health by becoming more efficient and using its resources more effectively across the Trust.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board has considered the need for a specific internal audit function and has decided to appoint Audit West as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- procurement processes and procedures
- HR & Payroll systems
- Governance

On a termly basis the auditor reports to the Board of Trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

All three reports were received by the Board of Trustees and no material issues were reported.

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

**GOVERNANCE STATEMENT (continued)**

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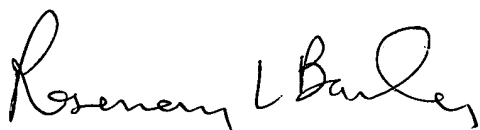
**REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor;
- the work of the external auditor;
- 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 9 December 2016 and signed on its behalf, by:



**R Bailey**  
**Chair of Trustees**



**P Bowditch**  
**Accounting Officer**

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

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

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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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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



**P Bowditch  
Accounting Officer**

Date: 9 December 2016

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 9 December 2016 and signed on its behalf by:



**R Bailey  
Chair of Trustees**



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

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

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

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

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

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**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)  
for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT  
Date: 15/12/16

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

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

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

This report is made solely to The Bath & Wells Diocesan Academies Trust and 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 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 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 ACCOUNTANT**

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 1 July 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

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

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

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

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

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

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Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy'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 noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**CONCLUSION**

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



Joseph Scaife FCA DChA (Reporting Accountant)

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date:

15/12/16

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	<b>Total funds 2016</b>	Total funds 2015
		£000	£000	£000	£000	£000
<b>INCOME FROM:</b>						
Donations and capital grants						
Transfer from local authority on conversion	2	212	(1,500)	14,962	<b>13,674</b>	1,720
Other donations and capital grants	2	51	1,394	-	<b>1,445</b>	571
Charitable activities	3	-	13,386	-	<b>13,386</b>	10,388
Other trading activities	5	341	-	-	<b>341</b>	214
Investment income	6	5	-	-	<b>5</b>	3
<b>TOTAL INCOME</b>		<b>609</b>	<b>13,280</b>	<b>14,962</b>	<b>28,851</b>	<b>12,896</b>
<b>EXPENDITURE ON:</b>						
Raising funds		131	-	-	<b>131</b>	108
Charitable activities		284	13,628	722	<b>14,634</b>	11,629
<b>TOTAL EXPENDITURE</b>	8	<b>415</b>	<b>13,628</b>	<b>722</b>	<b>14,765</b>	<b>11,737</b>
<b>NET INCOME / (EXPENDITURE)</b>						
<b>BEFORE TRANSFERS</b>		194	(348)	14,240	<b>14,086</b>	1,159
Gross transfers between funds	21	-	(881)	881	-	-
<b>NET INCOME/(EXPENDITURE)</b>						
<b>FOR THE YEAR BEFORE OTHER GAINS AND LOSSES</b>		194	(1,229)	15,121	<b>14,086</b>	1,159
<b>Other recognised gains</b>						
Actuarial gains and losses on defined benefit pension schemes	27	-	(4,017)	-	<b>(4,017)</b>	(34)
<b>NET MOVEMENT IN FUNDS</b>		<b>194</b>	<b>(5,246)</b>	<b>15,121</b>	<b>10,069</b>	<b>1,125</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds at 1 September 2015		363	(3,709)	22,532	<b>19,186</b>	18,061
<b>TOTAL FUNDS AT 31 AUGUST 2016</b>		<b>557</b>	<b>(8,955)</b>	<b>37,653</b>	<b>29,255</b>	<b>19,186</b>

All activities derive from continuing operations during the above two financial periods  
The notes on pages 31 to 66 form part of these financial statements

These statements are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of the Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005. The 2015 comparators have been restated in part and a reconciliation of these changes is shown in note 30 to these statements. A full comparator SOFA is shown in note 29

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

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	2016 £000	2015 £000
<b>FIXED ASSETS</b>			
Tangible assets	15	37,668	22,558
<b>CURRENT ASSETS</b>			
Debtors	17	1,248	567
Cash at bank and in hand	26	2,087	1,154
		<u>3,335</u>	<u>1,721</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	18	(1,557)	(990)
<b>NET CURRENT ASSETS</b>		<u>1,778</u>	<u>731</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>39,446</u>	<u>23,289</u>
Creditors: due after more than one year	19	(14)	(19)
<b>NET ASSETS EXCLUDING PENSION</b>		<u>39,432</u>	<u>23,270</u>
Pension Scheme Liability	27	(10,177)	(4,084)
<b>NET ASSETS INCLUDING PENSION</b>		<u>29,255</u>	<u>19,186</u>
<b>FUNDS OF THE ACADEMY TRUST:</b>			
<b>Restricted Funds</b>			
General Funds	21	1,222	375
Fixed Asset Fund	21	37,653	22,532
Pension Reserve	21	(10,177)	(4,084)
<b>Total Restricted Funds</b>		<u>28,698</u>	<u>18,823</u>
<b>Unrestricted Funds:</b>			
Unrestricted Funds:	21	557	363
<b>TOTAL FUNDS</b>		<u>29,255</u>	<u>19,186</u>

The financial statements on pages 31 to 66 were approved by the Trustees and authorised for issue on 9 December 2016 and are signed on their behalf by:



**R Bailey**  
**Chair of Trustees**



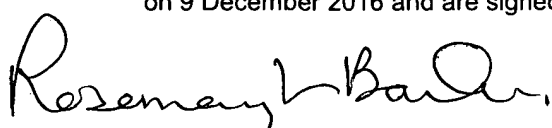
**P Bowditch**  
**Chief Executive**

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

**ACADEMY TRUST BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	2016 £000	2015 £000
<b>FIXED ASSETS</b>			
Tangible assets	15	37,668	22,558
Investments	16	-	-
		<u>37,668</u>	<u>22,558</u>
<b>CURRENT ASSETS</b>			
Debtors	17	1,482	853
Cash at bank and in hand		1,833	866
		<u>3,315</u>	<u>1,719</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	18	(1,537)	(988)
<b>NET CURRENT ASSETS</b>		<u>1,778</u>	<u>731</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>39,446</u>	<u>23,289</u>
Creditors: due after more than one year	19	(14)	(19)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>39,432</u>	<u>23,270</u>
Pension Scheme Liability	27	(10,177)	(4,084)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>		<u>29,255</u>	<u>19,186</u>
<b>FUNDS OF THE ACADEMY TRUST:</b>			
<b>Restricted Funds</b>			
General Funds	21	1,222	375
Fixed Asset Fund	21	37,653	22,532
Pension Reserve		(10,177)	(4,084)
<b>Total Restricted Funds</b>		<u>28,698</u>	<u>18,823</u>
<b>Unrestricted Funds:</b>			
General Fund	21	557	363
<b>TOTAL FUNDS</b>		<u>29,255</u>	<u>19,186</u>

The financial statements on pages 31 to 66 were approved by the Trustees and authorised for issue on 9 December 2016 and are signed on their behalf by:



**R Bailey**  
**Chair of Trustees**



**P Bowditch**  
**Chief Executive**

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	<b>Note</b>	<b>2016 £000</b>	<b>2015 £000</b>
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	23	<b>695</b>	156
<b>Cash flows from investing activities</b>	25	<b>80</b>	138
<b>Cash flows from financing activities</b>	24	-	25
<b>Cash transferred on conversion</b>		<b>158</b>	57
<b>Change in cash and cash equivalents in the reporting period</b>		<b>933</b>	376
<b>Reconciliation of net cash flow to movement in funds</b>			
Increase in cash in year		<b>933</b>	376
Cash outflow from decrease in debt and lease financing		-	(24)
<b>Movement in net funds in the year</b>		<b>933</b>	352
<b>Net funds at 1 September 2015</b>		<b>1,130</b>	778
<b>Net funds at 31 August 2016</b>	26	<b>2,063</b>	1,130



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

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**1 Statement of Accounting Policies**

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

**1.1 Basis of Preparation**

**a. General**

The financial statements of the Academy Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (charities SORP (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**1 Statement of Accounting Policies (continued)**

**b. First time adoption of FRS102**

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

Some of the FRS102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS102 and SORP 2015 - note 30 reconciles the differences in the statements.

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

**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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency (EFA).

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**1.3 Incoming Resources**

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

**Grants**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**1 Statement of Accounting Policies (continued)**

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended; unspent amounts of capital grant are reflected in the balance in restricted funds.

**Sponsorship Income**

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

**Donations**

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

**Other Income**

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

**Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**1 Statement of Accounting Policies (continued)**

**1.4 Expenditure**

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

**Expenditure on Raising Funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

**Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going Concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.6 Basis of Consolidation**

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

The 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 Net Income (excluding gains and losses) for the year/period dealt with in the accounts of the Academy Trust was £14,086K (2015 : £1,159K).

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**1 Statement of Accounting Policies (continued)**

**1.7 Tangible Fixed Assets and Depreciation**

All assets costing more than £2,000 have been 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 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 Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Tangible fixed assets are 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
Land and buildings improvements	- Straight line over 15 years
Furniture and equipment	- Straight line over 7 years
Fixtures and fittings	- Straight line over 7 years
Computer equipment	- Straight line over 3 years

The Academy Trust has been granted use of a number of school buildings from the Diocese of Bath & Wells under a selection of Supplemental Agreements. The Academies Financial Handbook 2015-16 prescribes that under this agreement the risks and rewards of ownership remain with the Academy Trust. The buildings have been included within the long-term leasehold property of the Academy Trust.

The Supplemental Agreement includes the right for the Diocese of Bath & Wells to give not less than 2 years written notice to the Academy Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

**1.8 Investments**

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

**1.9 Operating Leases**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**1 Statement of Accounting Policies (continued)**

**1.10 Interest Receivable**

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

**1.11 Debtors**

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

**1.12 Cash at Bank and In Hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**1.13 Financial Instruments**

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

**1.14 Liabilities**

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

**1.15 Concessionary Loans**

Concessionary loans include those payable to third parties which are interest free or below market interest rates. The loans are initially measured at cost, less impairment and subsequently the carrying amounts are adjusted to reflect repayments and any accrued interest.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**1 Statement of Accounting Policies (continued)**

**1.16 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.

**1.17 Pension Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**1 Statement of Accounting Policies (continued)**

**1.18 Critical accounting estimates and areas of judgement**

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

**Critical accounting estimates and assumptions :**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

In order to value the school buildings for inclusion on the Balance Sheet, the Academy Trust obtains rebuild valuation costs and makes the assumption that the fair value for declaration is 65% (80% for new build schools) of that rebuild value. As stated in 1.7 of these policies, the Academy Trust has been granted use of these buildings by the Diocese of Bath & Wells but is held on the Balance Sheet as long-term leasehold properties as the risks and rewards of ownership remain with the Academy Trust.

**Critical areas of judgement :**

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**1 Statement of Accounting Policies (continued)**

**1.19 Conversion to an Academy Trust**

The conversion from a collection of state maintained schools to the 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 maintained schools to the 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 transactions are set out in note 28.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**2 DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds 2016 £000	Restricted Funds 2016 £000	<b>Total Funds 2016 £000</b>	Total Funds 2015 £000
Transfer from Local Authority on Conversion	212	13,462	<b>13,674</b>	1,720
Capital Grants	-	1,202	<b>1,202</b>	386
Trip Income	-	130	<b>130</b>	110
Donations	51	62	<b>113</b>	75
	<b>51</b>	<b>1,394</b>	<b>1,445</b>	<b>571</b>

**3 INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds 2016 £000	Restricted Funds 2016 £000	<b>Total Funds 2016 £000</b>	Total Funds 2015 £000
<b>Summary by Fund Type</b>				
Education	-	12,795	<b>12,795</b>	10,018
Nursery	-	591	<b>591</b>	370
	<b>-</b>	<b>13,386</b>	<b>13,386</b>	<b>10,388</b>

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds 2016 £000	Restricted Funds 2016 £000	Total Funds 2016 £000	Total Funds 2015 £000
<b>DfE/EFA Grants</b>				
General Annual Grant (GAG)	-	10,607	<b>10,607</b>	8,258
Start-up Grants	-	215	<b>215</b>	25
Other DfE/EFA Grant	-	1,524	<b>1,524</b>	1,222
	-	12,346	<b>12,346</b>	9,505
<b>Other Government Grants</b>				
High Needs	-	126	<b>126</b>	152
Growth Funding	-	159	<b>159</b>	271
Other Government Grants – non capital	-	87	<b>87</b>	84
	-	372	<b>372</b>	507
<b>Other Income from the academy trust's educational operations</b>				
Diocesan Board of Education (DBE)	-	32	<b>32</b>	-
Other	-	45	<b>45</b>	6
		77	<b>77</b>	6
	-	12,795	<b>12,795</b>	10,018

**5 OTHER TRADING ACTIVITIES**

	Unrestricted Funds 2016 £000	Restricted Funds 2016 £000	Total Funds 2016 £000	Total Funds 2015 £000
Lettings	50	-	<b>50</b>	34
Consultancy	4	-	<b>4</b>	6
Breakfast Clubs & Other Income	282	-	<b>282</b>	165
Uniform Income	5	-	<b>5</b>	9
	341	-	<b>341</b>	214

**6 INVESTMENT INCOME**

	Unrestricted Funds 2016 £000	Restricted Funds 2016 £000	Total Funds 2016 £000	Total Funds 2015 £000
Bank Interest	5	-	<b>5</b>	3

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**7 EXPENDITURE BY CHARITABLE ACTIVITY**

	Unrestricted Funds 2016 £000	Restricted Funds 2016 £000	Total Funds 2016 £000	Total Funds 2015 £000
<b>Summary by Fund Type</b>				
Education	143	13,786	13,929	11,227
Nursery	141	564	705	402
	284	14,350	14,634	11,629

**8 EXPENDITURE**

	Staff Costs 2016 £000	Non-Pay Expenditure Premises 2016 £000	Other 2016 £000	Total 2016 £000	Total 2015 £000
<b>Expenditure on Raising Funds</b>	109	1	21	131	108
<b>Academy Trust Educational Operations:</b>					
Direct Costs – Education	8,558	653	952	10,163	8,170
Direct Costs – Nursery	600	-	-	600	243
Support Costs – Education	1,760	848	1,158	3,766	3,057
Support Costs – Nursery	33	30	42	105	159
	10,951	1,531	2,152	14,634	11,629
	11,060	1,532	2,173	14,765	11,737

**9 NET INCOME / (EXPENDITURE) FOR THE PERIOD INCLUDES:**

	Total Funds 2016 £000	Total Funds 2015 £000
Depreciation of tangible fixed assets	733	541
Auditors' remuneration	23	16
Operating lease rentals:	37	29

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**10 ANALYSIS OF COSTS**

**a. DIRECT COSTS**

	Education 2016 £000	Nursery 2016 £000	<b>Total 2016 £000</b>	Total 2015 £000
Direct staff related costs	8,687	600	<b>9,287</b>	7,200
Depreciation	653	-	<b>653</b>	481
Technology costs	92	-	<b>92</b>	105
Educational supplies	240	-	<b>240</b>	200
Staff development costs	70	-	<b>70</b>	81
Other direct costs	421	-	<b>421</b>	346
	<b>10,163</b>	<b>600</b>	<b>10,763</b>	<b>8,413</b>

**b. SUPPORT COSTS**

	Education 2016 £000	Nursery 2016 £000	<b>Total 2016 £000</b>	Total 2015 £000
Support Staff Costs	1,871	33	<b>1,904</b>	1,576
Depreciation	81	-	<b>81</b>	59
Technology Costs	161	1	<b>162</b>	88
Premises Costs	929	43	<b>972</b>	921
Catering Costs	421	1	<b>422</b>	348
Other Support Costs	280	27	<b>307</b>	208
Governance Costs	23	-	<b>23</b>	16
	<b>3,766</b>	<b>105</b>	<b>3,871</b>	<b>3,216</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**11 STAFF**

	Total 2016 £000	Total 2015 £000
<b>a. Staff costs</b>		
Staff costs during the period were as follows:		
Wages and salaries	8,583	6,865
Social security costs	581	403
Operating costs of defined benefit pension scheme	1,842	1,417
	<u>11,006</u>	<u>8,685</u>
Staff restructuring costs	54	77
	<u>11,060</u>	<u>8,762</u>
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	48	71
Other restructuring costs	6	6
	<u>54</u>	<u>77</u>
All staff restructuring costs are statutory/contractual		
	31 Aug 16 No.	31 Aug 15 No.
<b>b. Staff numbers</b>		
<b>Headcount</b>		
The average number of persons employed by the Academy Trust during the year in terms of headcount was as follows:		
Teachers	166	133
Educational support	219	187
Administration and support	257	204
Management	14	12
	<u>656</u>	<u>536</u>
	31 Aug 16 No.	31 Aug 15 No.
<b>Full Time Equivalent (FTE)</b>		
The average number of persons employed by the Academy Trust during the year expressed as FTE was as follows:		
Teachers	130	107
Educational support	108	95
Administration and support	73	53
Management	13	12
	<u>324</u>	<u>267</u>
	31 Aug 16 No.	31 Aug 15 No.
<b>c. Higher paid staff</b>		
The number of employees whose employee benefits (excluding pension costs) exceeded £60,000 were:		
In the band £60,001-£70,000	5	4
In the band £70,001-£80,000	1	0
In the band £80,001-£90,000	-	1
	<u>6</u>	<u>5</u>
<b>d. Key Management Personnel</b>		

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key personnel for their services to the academy trust was £226,733 (2015 : £270,771)

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**12 TRUSTEES' REMUNERATION AND EXPENSES**

The Chief Executive and other staff Trustees only received remuneration in respect of services they provide undertaking the roles of Chief Executive and staff, and not in respect of their services as Trustees. Other Trustees do not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits were as follows:

P Mountstephen (Chief Executive and Trustee - left 12.2.16):

Remuneration £30,001-£35,000 (2015: £80,001-£85,000)

Employer's Pension Contributions £5,000-£10,000 (2015: £10,001-£15,000)

P Bowditch (Staff Trustee until 31.5.16 then Chief Executive and Trustee from 1.6.16):

Remuneration £70,001-£75,000 (2015: £60,001-£65,000)

Employer's Pension Contributions £5,000-£10,000 (2015: £5,000-£10,000)

J Brown (Staff Trustee):

Remuneration £65,001-£70,000 (2015: £60,001-£65,000)

Employer's Pension Contributions £10,001-£15,000 (2015: £10,001-£15,000)

During the period ended 31 August 2016, expenses totalling £7,441 (2015: £9,185) were reimbursed to 7 Trustees (2015: 7) During the year, no Trustees received any benefits in kind (2015: NIL)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**13 CENTRAL SERVICES**

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

- Human Resources
- Financial Services
- Educational Support Services
- Leadership and Governance

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

- 5% of GAG or 3% of EYSFF funding;
- Fixed charge; and
- Proportion of actual expense incurred.

The actual amounts charged during the year were as follows:

	31 Aug 16	31 Aug 15
	£000	£000
Churchfield Church School	98	101
Kingshill Church School	31	37
St James Church School	64	67
St John & St Francis Church School	91	92
Bath & Wells Diocesan Nurseries Limited	20	9
Cheddon Fitzpaine Church School	29	33
St Andrew's Church School	45	47
Horsington Church School	25	25
Staplegrove Church School	41	45
Norton Fitzwarren Church School	35	30
Oakhill Church School	28	14
Court De Wyck Church School	25	-
Bishops Lydeard Church School	33	-
Trinity Anglican Methodist Church School	42	-
St John the Evangelist Church School	12	-
St Georges Church School	3	-
<b>Total</b>	<b>622</b>	<b>500</b>

**14 TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £894 (2015:£1,220). The cost of this insurance is included in the total insurance cost.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**15 TANGIBLE FIXED ASSETS – GROUP AND ACADEMY TRUST**

	Long term leasehold property £000	Fixtures and fittings £000	Computer Equipment £000	Total £000
<b>COST</b>				
At 1 September 2015	23,202	211	220	23,633
Additions	742	80	59	881
Transfers on conversion	14,962	-	-	14,962
At 31 August 2016	38,906	291	279	39,476
<b>DEPRECIATION</b>				
At 1 September 2015	919	34	122	1,075
Charge for the year	634	34	65	733
At 31 August 2016	1,553	68	187	1,808
<b>NET BOOK VALUE</b>				
At 31 August 2016	37,353	223	92	37,668
At 31 August 2015	22,283	177	98	22,558

**16 FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>ACADEMY TRUST</b>	
<b>COST</b>	
At 1 September 2015 and 31 August 2016	1

**THE BATH & WELLS DIOCESAN ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**17 DEBTORS**

	<b>GROUP</b>		<b>ACADEMY TRUST</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	37	16	37	16
Amounts owed by group undertakings		-	283	295
VAT recoverable	227	131	227	131
Other debtors	8	9	8	9
Prepayments and accrued income	976	411	927	403
	<b>1,248</b>	<b>567</b>	<b>1,482</b>	<b>854</b>

**18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>GROUP</b>		<b>ACADEMY TRUST</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade creditors	427	266	427	266
Other taxation and social security	200	118	200	118
Other creditors	18	6	18	6
Accruals and deferred income	912	600	892	598
	<b>1,557</b>	<b>990</b>	<b>1,537</b>	<b>988</b>

	<b>GROUP</b>	<b>ACADEMY TRUST</b>
	<b>£000</b>	<b>£000</b>
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2015	298	298
Resources deferred during the year	401	401
Amounts released from previous years	(298)	(298)
Deferred income at 31 August 2016	<b>401</b>	<b>401</b>

At the balance sheet date the Academy Trust was holding funds received in advance for UIFSM (Universal Infant Free School Meals) for the 2016/17 academic year and capital projects

**19 CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR**

	<b>GROUP</b>		<b>ACADEMY TRUST</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Other creditors within 1 and 2 years	3	5	3	5
Other creditors within 2 and 5 years	8	9	8	9
Other creditors greater than 5 years	3	5	3	5
	<b>14</b>	<b>19</b>	<b>14</b>	<b>19</b>

Other creditors in note 18 and 19 refer to the amounts for 3 loans from EFA under the Conditions Improvement Fund. These are repayable between 2 and 8 years at rates of between 1.55% and 2.34%.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**20 FINANCIAL INSTRUMENTS**

**Financial Assets that are debt instruments**

	<b>GROUP</b>		<b>ACADEMY TRUST</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	37	16	37	16
Amounts owed by group undertakings		-	283	295
VAT recoverable	227	131	227	131
Other debtors	8	9	8	9
Prepayments and accrued income	976	411	927	402
Cash at bank and in hand	2,087	1,154	1,833	866
	<b>3,335</b>	<b>1,721</b>	<b>3,315</b>	<b>1,719</b>

**Financial Liabilities measured at amortised cost**

	<b>GROUP</b>		<b>ACADEMY TRUST</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade creditors	427	266	427	266
Other taxation and social security	200	118	200	118
Other creditors	18	6	18	6
Accruals and deferred income	912	600	892	598
Loans due after more than one year	14	19	14	19
	<b>1,571</b>	<b>1,009</b>	<b>1,551</b>	<b>1,007</b>

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**21 STATEMENT OF FUNDS**

	<b>Brought Forward £000</b>	<b>Incoming Resources £000</b>	<b>Resources Expended £000</b>	<b>Transfers in/out £000</b>	<b>Gains / (losses) £000</b>	<b>Carried Forward £000</b>
<b>UNRESTRICTED FUNDS</b>						
LA Transfer on conversion	192	211	(118)	-	-	285
Voluntary and Other Unrestricted funds	1	5	(1)	-	-	5
Nursery	15	114	(141)	-	-	(12)
Trading	129	279	(144)	-	-	264
Assets purchased from unrestricted	26	-	(11)	-	-	15
	<b>363</b>	<b>609</b>	<b>(415)</b>	<b>-</b>	<b>-</b>	<b>557</b>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	45	10,607	(10,359)	(75)	-	218
Growth Funding	-	160	(160)	-	-	-
Conversion Grant	45	215	(112)	(10)	-	138
Nursery Restricted Income	3	591	(563)	-	-	31
Pupil Premium	72	884	(840)	-	-	116
Other Government Grants	14	640	(626)	-	-	28
Other LA Grants	19	197	(186)	-	-	30
DBE Grant	-	32	(27)	(5)	-	-
Other Restricted Income	16	252	(189)	(16)	-	63
CIF Capital Funding	108	605	16	(216)	-	513
Other Capital Funding	53	596	(5)	(559)	-	85
Pension Reserve	(4,084)	(1,500)	(576)	-	(4,017)	(10,177)
	<b>(3,709)</b>	<b>13,279</b>	<b>(13,627)</b>	<b>(881)</b>	<b>(4,017)</b>	<b>(8,955)</b>
<b>RESTRICTED FIXED ASSET FUNDS</b>	<b>Brought Forward £000</b>	<b>Incoming Resources £000</b>	<b>Resources Expended £000</b>	<b>Transfers in/out £000</b>	<b>Gains / (losses) £000</b>	<b>Carried Forward £000</b>
Fixed assets transferred on conversion	21,424	14,962	(610)	-	-	35,776
Fixed assets purchased from GAG and other restricted funds	775	-	(105)	881	-	1,551
Donation from the Local Authority	333	-	(7)	-	-	326
	<b>22,532</b>	<b>14,962</b>	<b>(722)</b>	<b>881</b>	<b>-</b>	<b>37,653</b>
<b>Total restricted funds</b>	<b>18,823</b>	<b>28,241</b>	<b>(14,349)</b>	<b>-</b>	<b>(4,017)</b>	<b>28,698</b>
<b>Total of funds</b>	<b>19,186</b>	<b>28,850</b>	<b>(14,764)</b>	<b>-</b>	<b>(4,017)</b>	<b>29,255</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**21 STATEMENT OF FUNDS (continued)**

Transfers – during the year £881k (2015: £397k) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG and other restricted funds as indicated in the above table.

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.

Growth Funding – Income awarded from the Local Authority for growing schools, to compensate in the delay in the awarding the above General Annual Grant for the increased pupil numbers.

Conversion Grants – This represents one off funding received from the EFA to contribute to the cost of converting from a school to an academy. Sponsored schools get additional funding to support school improvement.

Nursery Restricted Income - this mainly relates to 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.

Other Government Grants includes the following:

Universal Infant Free School meal (UIFSM) funding to provide free school meals to all KS1 Pupils (2016:£5k; 2015: £nil).

Rates relates to grant funding to be used to reimburse the cost of rates paid by the Academy Trust (2016:£nil; 2015: £14k)

PE Grant Income was received from the EFA to improve the quality of the PE and sport activities offered to pupils (2016:£23k; 2015: £nil).

Other LA Grants includes the following:

High Needs – Funding received by the Local Authority to fund further support for students with additional needs (2016:£19k; 2015: £14k)

EAL – English as an Additional Language – Income from the Local Authority (LA) to be used to teach English as an additional language and for the teaching of bilingual pupils (2016:£11k; 2015: £5k).

Other Restricted Income – other miscellaneous grants from third parties

CIF - Capital Investment funding from the EFA in relation to school's buildings improvement works

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**21 STATEMENT OF FUNDS (continued)**

Other Capital Funding includes the following:

Devolved formula capital – This represents funding from the EFA to cover the maintenance and purchase of the academy's assets (2016:£85k;2015:£68k)

Kitchen Grant – these were small school grants received from the Local Authority to help in preparation for the introduction of UIFSM in September 2015 (2016:£3k;2015:£10k)

Somerset County Council – This funding has been provided to support improvements for Churchfield Nursery which converted from the LA to the Trust in September 2015; and the expansion of Norton Fitzwarren Church school (2016:£-3k;2015:£-25k)

**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,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.

**OTHER INFORMATION**

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 2016.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21 STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £000	Total 2015 £000
MAT Central	57	41
Churchfield Church School	117	88
Kingshill Church School	83	55
St James Church School	283	121
St John & St Francis Church School	72	29
Cheddon Fitzpaine Church School	56	42
St Andrew's Church School	126	73
Horsington Church School	37	38
Staplegrave Church School	104	67
Norton Fitzwarren Church School	(29)	(12)
Oakhill Church School	69	62
Court De Wyck Church School	(22)	-
Bishops Lydeard Church School	102	-
Trinity Anglican Methodist Church School	74	-
St John the Evangelist Church School	76	-
St Georges Church School	46	-
Condition Improvement Fund (CIF)	513	108
Unrestricted fixed asset purchase	15	26
Total before fixed asset fund and pension reserve	1,779	738
Restricted Fixed Asset Reserve	37,653	22,532
Pension Reserve	(10,177)	(4,084)
Total	29,255	19,186

St Georges Church School joined the Academy Trust on 1 September 2016. As a sponsored school the sponsorship grant paid to the Academy Trust before conversion and related costs are recognised in these statements as the income and expenditure is attributable to the Trust.

An amount of £512,500, listed as Condition Improvement Fund in the above table, relates to the recognition of CIF grant that is to be spent in 2016/17; this has not been capitalised in 2015/16 so not included within the restricted fixed asset reserves. An equivalent amount of £107,562 was held at the end of 2014/15.

Norton Fitzwarren is carrying a net deficit balance of £28,879; this is due to the year on year growth within the school, leading to full funding lagging behind pupil numbers. It is projected that this deficit is eliminated within the next 2 academic years, once growth stabilises.

Court De Wyck is carrying a net deficit balance of £22,389; the school converted during 2015/16 with a small surplus and the school are working on a budget strategy to bring the school back into surplus in the next 3 academic years.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**21 STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educ. support staff costs £000	Other support staff costs £000	Educ. supplies £000	Other costs excluding depreciation £000	Total 2016 £000	Total 2015 £000
MAT Central	36	425	3	202	666	639
Churchfield Church School	1,437	266	76	196	1,975	2,060
Kingshill Church School	437	88	34	122	681	709
St James Church School	966	116	58	205	1,345	1,412
St John & St Francis Church School	1,101	182	89	235	1,607	1,682
Bath & Wells Diocesan Nurseries Limited	638	103	31	77	849	398
Cheddon Fitzpaine Church School	382	40	39	121	582	630
St Andrew's Church School	639	93	47	141	920	963
Horsington Church School	347	40	17	91	495	485
Staplegrave Church School	567	80	61	138	846	856
Norton Fitzwarren Church School	448	68	52	133	701	618
Oakhill Church School	370	59	26	104	559	299
Court De Wyck Church School	337	55	26	93	511	-
Bishops Lydeard Church School	452	63	21	115	651	-
Trinity Anglican Methodist Church School	630	57	18	155	860	-
St John the Evangelist Church School	135	13	3	39	190	-
St Georges Church School	-	-	-	18	18	-
Pension costs	403	173	-	-	576	445
	9,325	1,921	601	2,185	14,032	11,196



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**22 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	<b>Total funds 2016 £000</b>	Total funds 2015 £000
Tangible fixed assets	15	-	37,653	<b>37,668</b>	22,558
Current assets	542	2,793	-	<b>3,335</b>	1,721
Creditors due within one year	-	(1,557)	-	<b>(1,557)</b>	(990)
Creditors due in greater than one year	-	(14)	-	<b>(14)</b>	(19)
Pension Scheme liability	-	(10,177)	-	<b>(10,177)</b>	(4,084)
<b>Total net assets</b>	<b>557</b>	<b>(8,955)</b>	<b>37,653</b>	<b>29,255</b>	<b>19,186</b>

**23 RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2016 £000</b>	<b>2015 £000</b>
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	<b>14,086</b>	1,159
Adjusted for:		
Depreciation of tangible fixed assets (note 16)	<b>733</b>	541
Capital grants from DfE and other capital income	<b>(1,202)</b>	(387)
Capital Assets transferred on conversion	<b>(14,962)</b>	(1,755)
Interest receivable (note 4)	<b>(5)</b>	(3)
Surplus revenue balances transferred on conversion	<b>(211)</b>	(57)
Defined benefit pension scheme obligation inherited	<b>1,500</b>	92
Defined benefit pension scheme curtailments/settlements & Admin expenses	<b>5</b>	2
Defined benefit pension scheme cost less contributions payable (note 27)	<b>392</b>	268
Defined benefit pension scheme finance cost (note 27)	<b>179</b>	175
Decrease in stocks	<b>-</b>	1
Increase in debtors	<b>(353)</b>	87
Increase in creditors	<b>533</b>	33
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>695</b>	<b>156</b>

**24 CASH FLOWS FROM FINANCING ACTIVITIES**

	<b>2016 £000</b>	<b>2015 £000</b>
Cash inflows from new borrowing	<b>-</b>	25
<b>Net cash provided by (used in) financing activities</b>	<b>-</b>	<b>25</b>

**25 CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>2016 £000</b>	<b>2015 £000</b>
Interest received	<b>5</b>	3
Purchase of tangible fixed assets	<b>(816)</b>	(283)
Capital Grants from DfE	<b>891</b>	418
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>80</b>	<b>138</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>31 Aug 16</b>	<b>31 Aug 15</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>2,087</b>	1,154
<b>Debt</b>		
Debt due within one year	<b>(5)</b>	(5)
Debts falling due after more than one year	<b>(19)</b>	(19)
<b>NET FUNDS</b>	<b>2,063</b>	1,130

**27 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, through the Somerset Pension Scheme (managed by Somerset County Council) and Avon Pension Fund (managed by Bath & North East Somerset Council). Both are multi-employer 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 2012 and of the LGPS 31 March 2013.

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

**Teachers' Pension Scheme**

**Introduction**

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

**Valuation of the Teachers' Pension Scheme**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**27 PENSION COMMITMENTS (continued)**

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

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

The employer pension costs paid to TPS in the period amounted to £833,539 (2015 : £584,181). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £755,283 (2015 : £567,000), of which employer's contributions totalled £573,743 (2015 : £430,000) and employees' contributions totalled £181,540 (2015 : £137,000). The agreed contribution rates for future years are 13.4% – 18.1%, plus agreed lump sum catch up payments for employers and 5.5% to 12.5% for employees, however the imminent triennial review results are likely to increase these rates.

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 of Education. The guarantee came into force on 18 July 2013.

As described in note 28 the LGPS obligation relates to employees of the Trust, 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 year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**27 PENSION COMMITMENTS (continued)**

**Principal actuarial assumptions – Somerset County Council Pension Fund**

	At 31 Aug 16	At 31 Aug 15
Rate of increase in salaries	4.10%	4.50%
Rate of increase for pensions in payment/inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50%	50%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	At 31 Aug 16	At 31 Aug 15
Retiring today		
Males	23.8 years	23.7 years
Females	26.2 years	26.1 years
Retiring in 20 years		
Males	26.1 years	26.0 years
Females	28.5 years	28.4 years

**Principal actuarial assumptions – Avon Pension Fund**

	At 31 Aug 16	At 31 Aug 15
Rate of increase in salaries	3.40%	3.80%
Rate of increase for pensions in payment/inflation	2.00%	2.30%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	1.90%	2.30%
Commutation of pensions to lump sums	50%	50%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	At 31 Aug 16	At 31 Aug 15
Retiring today		
Males	23.5 years	23.4 years
Females	26 years	25.9 years
Retiring in 20 years		
Males	25.9 years	25.8 years
Females	28.9 years	28.8 years

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**27 PENSION COMMITMENTS (continued)**

The academy trusts' share of the assets in the schemes were:

	<b>Fair Value 31 Aug 16 £000</b>	<b>Fair Value 31 Aug 15 £000</b>
Equities	2,715	1,764
Gilts	292	171
Other Bonds	450	263
Property	409	252
Cash	100	45
Other	74	12
<b>Total market value of assets</b>	<b>4,040</b>	<b>2,507</b>

The actual return on scheme assets was £512,000 (2015 : £61,000)

Amount recognised in the Statement of financial activities are as follows:

	<b>31 Aug 16 £000</b>	<b>31 Aug 15 £000</b>
Service Cost	1,214	698
Net Interest on defined liability	179	146
Admin expenses	5	2
<b>Total pension cost recognised in net income</b>	<b>1,398</b>	<b>846</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**27 PENSION COMMITMENTS (continued)**

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

	31 Aug 16	31 Aug 15
	£000	£000
Opening defined benefit obligation at 1 September	6,591	5,405
Upon conversion	1,774	152
Current service cost	969	698
Interest cost	302	233
Contributions by scheme participants	182	137
Actuarial (gain) /loss	4,407	10
Benefits paid	(8)	(73)
Plan Introductions, benefit changes, curtailments and settlements	-	29
<b>Closing defined benefit obligation at 31 August</b>	<b>14,217</b>	<b>6,591</b>

Changes in the fair value of the group's share of scheme assets:

	31 Aug 16	31 Aug 15
	£000	£000
Opening fair value of scheme assets at 1 September	2,507	1,892
Upon conversion	274	60
Interest Income	123	87
Return on plan assets (excluding net interest on the net defined pension liability)	390	(24)
Actuarial gain and (loss)	-	-
Contributions by employer	577	430
Contributions by employees	182	137
Benefits paid	(8)	(73)
Plan introductions, benefit changes, curtailments and settlements, admin costs	(5)	(2)
<b>Closing fair value of scheme assets</b>	<b>4,040</b>	<b>2,507</b>

**Summary**

	31 Aug 16	31 Aug 15
	£000	£000
Closing defined benefit obligation	(14,217)	(6,591)
Closing fair value of scheme assets	4,040	2,507
<b>Deficit at end of year</b>	<b>(10,177)</b>	<b>(4,084)</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**28 CONVERSION TO AN ACADEMY TRUST**

During the year ended 31 August 2016, 4 schools converted to academy status under the Academies Act 2010 and joined the Academy Trust; 1 December 2015 Bishops Lydeard Church of England Voluntary Controlled Primary School (now Bishops Lydeard Church School); 1 December 2015 Court De Wyck Church of England Primary School (now Court De Wyck Church School); 1 March 2016 Trinity Anglican Methodist Church of England Voluntary Aided Primary School (now Trinity Anglican Methodist Primary School); 1 July 2016 St John the Evangelist Church of England Voluntary Aided Primary School (now St John the Evangelist Church School)

All the operations and assets and liabilities of Bishops Lydeard Church of England Voluntary Controlled Primary School were transferred to The Bath & Wells Diocesan Academies Trust from Somerset County Council for £NIL consideration. All the operations and assets and liabilities of Court De Wyck Church of England Primary School, Trinity Anglican Methodist Church of England Voluntary Aided Primary School and St John the Evangelist Church of England Voluntary Aided Primary School were transferred to The Bath & Wells Diocesan Academies Trust from North Somerset Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. 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 as net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

**Bishops Lydeard Church School**

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	2,888	2,888
Budget surplus / (deficit) on LA Funds	55	-	-	55
LGPS pension surplus /(deficit)	-	(245)	-	(245)
Net assets / (liabilities)	55	(245)	2,888	2,698

The above net assets include £55,110 that was transferred as cash.

The pension deficit was transferred from the Somerset County Council Pension Scheme on conversion.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**28 CONVERSION TO AN ACADEMY TRUST (continued)**

**Court De Wyck Church School**

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	2,484	2,484
Budget surplus / (deficit) on LA Funds	25	-	-	25
LGPS pension surplus /(deficit)	-	(257)	-	(257)
Net assets / (liabilities)	25	(257)	2,484	2,252

The above net assets include £24,598 that was transferred as cash.

The pension deficit was transferred from the North Somerset Pension Scheme (Avon Pension Fund) on conversion.

**Trinity Anglican Methodist Primary School**

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	6,317	6,317
Budget surplus / (deficit) on LA Funds	61	-	-	61
LGPS pension surplus /(deficit)	-	(608)	-	(608)
Net assets / (liabilities)	61	(608)	6,317	5,770

The above net assets include £60,572 that was transferred as cash.

The pension deficit was transferred from the North Somerset Pension Scheme (Avon Pension Fund) on conversion.

**St John the Evangelist Church School**

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	3,273	3,273
Budget surplus / (deficit) on LA Funds	71	-	-	71
LGPS pension surplus /(deficit)	-	(390)	-	(390)
Net assets / (liabilities)	71	(390)	3,273	2,954

The above net assets include no transferred cash at 31 August 16, the budget surplus was received in 2016/17.

The pension deficit was transferred from the North Somerset Pension Scheme (Avon Pension Fund) on conversion.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**29 COMPARATIVE INFORMATION - 2015 STATEMENT FOR INFORMATION PURPOSES**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds 2015
		£000	£000	£000	£000
<b>INCOME FROM:</b>					
Donations and capital grants					
Transfer from local authority on Conversion	2	44	(79)	1,755	1,720
Other donations and capital grants	2	-	571	-	571
Charitable activities	3	-	10,388	-	10,388
Other trading activities	5	214	-	-	214
Investment income	6	3	-	-	3
<b>TOTAL INCOME</b>		<b>261</b>	<b>10,880</b>	<b>1,755</b>	<b>12,896</b>
<b>EXPENDITURE ON:</b>					
Raising funds		108	-	-	108
Charitable activities		143	10,958	528	11,629
<b>TOTAL EXPENDITURE</b>	8	<b>251</b>	<b>10,958</b>	<b>528</b>	<b>11,737</b>
<b>NET INCOMING / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>10</b>	<b>(78)</b>	<b>1,227</b>	<b>1,159</b>
Gross transfers between funds	21	-	(397)	397	-
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE OTHER GAINS AND LOSSES</b>		<b>10</b>	<b>(475)</b>	<b>1,624</b>	<b>1,159</b>
<b>Other recognised gains</b>					
Actuarial gains and losses on defined benefit pension schemes	27	-	(34)	-	(34)
<b>NET MOVEMENT IN FUNDS</b>		<b>10</b>	<b>(509)</b>	<b>1,624</b>	<b>1,125</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds at 1 September 2014		353	(3,200)	20,908	18,061
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>363</b>	<b>(3,709)</b>	<b>22,532</b>	<b>19,186</b>

The figures in this statement have been restated in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of the Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005. The 2015 comparators have been restated in part and a reconciliation of these changes is shown in note 30 to these statements. Fund comparators are shown below notes where appropriate

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**30 EXPLANATION OF TRANSITION TO FRS102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS102 and SORP 2015 on total funds and net income / (expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

	Notes	1 Sep 14 £000	31 Aug 15 £000
<b>Reconciliation of total funds</b>			
Total funds under previous UK GAAP		18,063	19,187
Employee benefits accrual	a	(2)	(1)
Total funds reported under FRS102		<u>18,061</u>	<u>19,186</u>
<b>Reconciliation of net income / (expenditure)</b>			
Net income / (expenditure) previously reported under UK GAAP			1,200
Employee benefits accrual	a		1
Change in recognition of LGPS interest cost	b		(42)
Total funds reported under FRS102			<u>1,159</u>

**a Recognition of outstanding employee benefits**

No provision for outstanding holiday pay was made under previous UK GAAP. Under FRS102 the costs of short-term employee benefits are recognised as a liability and an expense. Most employees of the Academy Trust work within school term dates and therefore have no carry forward of holiday entitlement at 31 August each year. Certain employees have a leave year that is not co-terminus with the academic year resulting in a potential unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received. A Provision of £2,430 was recognised at 1 September 2014 and £1,720 at 31 August 2015. The movement on this provision of £1,720 has been charged to the SOFA in the year ended 31 August 2015

**b Change in recognition of LGPS interest cost**

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expense. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £42,000 and reduce the debit in other recognised gains and losses in the SOFA by an equivalent amount.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

**31 OPERATING LEASE COMMITMENTS**

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

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>GROUP AND ACADEMY TRUST</b>		
Amount due within one year	<b>37</b>	<b>36</b>
Amounts due between one and five years	<b>60</b>	<b>57</b>
	<b>97</b>	<b>93</b>

**32 RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the year the Academy Trust was recharged £33,871 (2015:£40,662) 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 £17,345 (2015:£17,680) was due to the Diocese of Bath & Wells

The Bath & Wells DBE has awarded a grant of £150,000, on a drawdown basis, to support the expansion of the Academy Trust; £32,485 has been reclaimed in 2015/16.

The Academy Trust is taking advantage of the FRS102 section 33 exemption to not disclose transactions with its trading subsidiary.

**33 POST BALANCE SHEET EVENTS**

Two schools joined the Academy Trust from 1 September 2016; these schools are St Marks Anglican Methodist Ecumenical Primary School and St Georges Church School. One further school, Holy Trinity Church School joined the Academy Trust on 1 November 2016.

**34 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 they are 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**35 CONTROLLING PARTY**

The controlling party is The Bath & Wells DBE Trust by virtue of holding the ability to appoint the majority of the members. The Bishop ultimately has the ability to appoint the majority of members on Diocesan entities, including the Bath & Wells DBE Trust, so therefore is deemed to be the ultimate controlling party.

**36 PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Bath and Wells Diocesan Nurseries Limited	England and Wales	100%	Provision of nursery services, running of breakfast clubs and letting of facilities

**37 GENERAL INFORMATION**

The Bath & Wells Diocesan Academies Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is The Old Deanery, St Andrews Street, Wells, Somerset BA5 2UG