

CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

**CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**CLYST VALE ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members	Kevin Bawn Simon Sanger-Anderson Levon Stephan Jonathan Farnhill (resigned 14 October 2014) Cathryn Durston (appointed 6 November 2014, resigned 29 June 2015) Georgina Stroud
Trustees	Kevin Bawn, Principal ^{1,2} Levon Stephan ^{2,3} Jonathan Farnhill (Resigned 14 October 2014) ² Georgina Stroud ^{1,3} Paul Colin, Staff Trustee ^{2,4} Cathryn Durston (resigned 29 June 2015) ^{2,4,5} Simon Sanger-Anderson, Chair ^{1,5} Greg Evans ^{2,5} Melanie Prance, Staff Trustee ² David Hewlett, Staff Trustee (Resigned 23 March 2015) ¹ Teresa Grieve ^{1,4} Sara Watt, Staff Trustee ¹ Ben Brook ^{1,3} Sharon Collins (Appointed 5 November 2014) ¹ Crawford Winlove (Appointed 22 September 2014) ² Dorothy Ruscoe (Appointed 23 March 2015) ² Norman Cooke (Appointed 22 September 2014, Resigned 3 January 2015) ² Rebecca Wood (Appointed 28 April 2015) ²
	1 Finance and Premises 2 Curriculum, Learning and Teaching 3 Pay 4 Audit Committee 5 Appeals Committee

Company registered number 07564519

Principal and Registered office Station Road
Broadclyst
Exeter
Devon
EX5 3AJ

Company secretary Jillian Collins

Accounting Officer Dr K Bawn

Senior leadership team
K Bawn, Principal
A Green, Vice Principal - Curriculum
C Dormand, Deputy Principal - Teaching
D Walters, Deputy Principal - Teaching
P Colin, Deputy Principal - Timetable, STEM
P Sutton, Deputy Principal - Intervention
A Hopkins, College Manager

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Bankers Lloyds Bank
High Street
Exeter
Devon

**CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 18 in East Devon. It has a pupil capacity of 182 and had a roll of 963 in the school census on 3 October 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of Clyst Vale Academy Trust are also the directors of the Charitable Company for the purposes of company law.

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

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they 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 £10,000,000 and this cover is provided by QBE.

TRUSTEES

Method of recruitment and appointment or election of Trustees

On 1st April 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees comprises the Principal, a minimum of 6 Parent Trustees, up to 4 Staff Trustees (providing that the total number of Trustees, including the Principal, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees), 4 Member Appointed Trustees and 3 Co-opted Trustees.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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 Academy's development.

Policies and Procedures adopted for the Induction and Training of Trustees

As there are normally only two or three new Trustees recruited in a given year, induction is informal and tailored specifically to the individual. The training and induction provided for new Trustees will therefore depend upon their existing experience, but would always include a meeting with the Chair of Trustees and Principal and a tour of the Academy as a chance to meet staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans, and other documents that they will need to undertake their role as Trustees. Advantage is taken of specific courses offered by the Local Authority training provider and other bodies. An experienced Trustee is encouraged to adopt and mentor a new Trustee.

A minimum of one Trustees' away day is organised each year which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

Organisational Structure

The Board of Trustees normally meets at least 5 times each year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The committee structure is as follows:

- Finance and Premises Committee - this meets at least 4 times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. This committee also considers Premises and Health & Safety on a regular basis.
- Curriculum Learning and Teaching Committee - this meets 6 times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Pay Committee – this meets once a year to confirm recommendations for pay progression with regard to performance management and other pay matters which may be appropriate
- Audit Committee – this meets at least 3 times a year to co-inside with its internal systems reviews. After each review the nominated Responsible Officer advises the full board of Trustees of its findings and recommendations at the next board meeting.

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

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

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Principal and Senior Leadership Team (SLT). The SLT comprises the Principal, Vice Principal, 4 Deputy Principals and the College Manager. The SLT implement the policies laid down by the Trustees and report back

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

to them on performance.

The SLT is responsible for the authorisation of spending within an agreed budget. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Principal is responsible for the appointment of staff, though appointment panels for teaching posts and Senior Support staff always include a Governor.

The Principal is the Accounting Officer.

Connected Organisations, including Related Party Relationships

The Academy has strong collaborative links with 7 feeder primary schools which form the Clyst Vale Learning Community. There are looser collaborative links with other Secondary Schools in East and Mid Devon through a Head Teacher network (DASH). From April 2015 to March 2016 Clyst Vale is part of a DfE funded project to develop Character Education; this is in partnership with four other East Devon Schools, and a separate infrastructure has been established to manage the project; there is no financial risk to Clyst Vale, in fact the opposite as the College benefits from the project. Clyst Vale belongs to the Jurassic Coast Teaching School Alliance. Clyst Vale is also in partnership with Ndururumo High School, Nyahururu, Kenya.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

The principal object and activity of the Charitable Company is the operation of Clyst Vale Academy Trust to provide free education and care for pupils of different abilities between the ages of 11 and 18.

The Academy Trust's mission is as follows:

'Inspired by our students, our location, our skills and our community, we:

- Enable students of all abilities to make outstanding progress beyond their expected capabilities and so gain qualifications and skills they need to achieve their potential and aspirations
- Provide inspiring and creative teaching and a curriculum which promotes independent learning, academic excellence and an understanding of the local and global challenges and opportunities that society will face
- Enable students to develop socially and emotionally as individuals and so gain an understanding of their responsibilities towards society and the positive impact they can make in the world
- Support lifelong learning for everyone in our communities

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Strategic Plan which is available from the Clyst Vale College website. The plan is a response to 2015 exam results and the Ofsted report of June 2015, and seeks to improve on the Ofsted 'Good' judgement when re-inspected. Key activities and targets are identified in the College Strategic Plan; the three central foci are to improve achievement, ensure all teaching is good and to improve leadership. Seven key drivers have been identified to achieve this: character education, appraisal, curriculum, assessment, the pastoral system, CPD and coaching, and student recruitment.

Public Benefit

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

The Academy aims to advance for the public benefit, education in our designated catchment area and where appropriate, beyond. The Academy Trust provides for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community. The Academy Trust supports a dual-use Library and had a good working relationship with the shared use Sports Hall. Clyst Vale is committed to the success of the Broadclyst Traffic Group, as it impacts on students' safety.

As an Academy Trust we have a duty to support other schools. We support these schools through use of our premises and specialist skills in Science, Maths, Computing, Sport and Performing Arts in particular. We provide outreach to primary Schools in Maths, Science, Drama and Hearing Support; provide support to a range of other schools through 'Thinking Schools'. Further support was provided in the accounting year through the Jurassic Coast Teaching Schools' Alliance and the East and Mid Devon 14-19 partnership.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its fifth year of operation. The total number of students in years 7 – 11 in the year ended 31 August 2015 was 963. The Academy Trust admits up to 182 students each year.

Examination results for 2015 represented an improvement in a year when many schools have continued to struggle with the national changes to GCSE, in which our students have posted the best-ever results in the College's history.

- 72.3% of our students achieved 5 or more A*-C grades including English and Maths
- 73.4% achieved an A*-C grade in both English and Mathematics
- 92.5% achieved at least one C grade and 100% at least one G grade
- 77.5% achieved 5 or more A* - C grades in any subject
- 49.7% achieved at least one A or A* grade in their results (14 students, 8.1%, achieved ten or more A*-A grades)
- 28% of all grades were A*-A
- 79.7% of all grades were C or better
- The College's value-added score was 1013
- 82% of students made expected progress in English
- 73% of students made expected progress in Mathematics
- Most subjects saw improvements from 2014.

A-Level results were above expectation. 43.4 % of grades achieved were at A* - B, and the overall pass rate was 98.3%. Value-added outcomes were outstanding, with all subjects in line with expectation and three (Biology, English, Geography) significantly above the line. Again, almost all of the year group have the requirements to move on to their chosen courses or the next stage in their lives. Their achievement is even greater taken in context of the national picture of falling grades and pass rates.

To ensure that standards are continually raised the Academy Trust operates a programme of self-evaluation including data monitoring, tracking and analysis; observation of lessons; reports from external visitors, for example the school Improvement Partner and subject reviews, which in turn include scrutiny of students' work and student interviews. During this accounting period the College was inspected by Ofsted and judged to be "Good", overturning the previous "RI" judgement from 2013.

During the year the Academy's charity fundraising activities raised £1,899.36 All funds have been transferred to the relevant charity.

The Academy continues to be a member of the Jurassic Coast Teaching Schools' Alliance. The alliance is continuing to work on mutual staff development, with the primary aim of driving up standards.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Key Performance Indicators

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2014 were 963. It is anticipated that student numbers will reduce further, before stabilising in 2016-17 and recovering. The favourable results and Ofsted judgement will clearly be helpful.

The following KPIs were set at the start of the year:

College	2014/15 (Oct 14 Census)	2013/14 (Oct 13 Census)
Student Numbers: Years 7-11	790	803
Student Numbers: Sixth Form	173	183
No. FSM Students	99	89

College	2014/15 Actual	2014/15 Target	2013/14 Actual
Student Attendance %	94.3%	95%	94.9%
GCSE 5 A-C inc Maths & English	72.3%	68.5%	71.5%
% Students making expected progress in English (GCSE)	82%	82%	74.5%
% Students making expected progress in Maths	73%	80%	72.2%

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy'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 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2015, total expenditure (excluding pension and fixed assets) of £5,259,425 was covered by recurrent grant funding from the DfE, together with other incoming resources of £5,255,789. The shortfall of income over expenditure for the year (excluding restricted fixed asset funds) was (£3,636).

At 31 August 2015 the net book value of fixed assets was £12,763,635 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 1st April 2011 at £10,934,500. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 26 to the financial statements.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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, Principal, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Trustees have adopted a Responsible Officer for internal Audit and appointed North Somerset Council to undertake a programme of internal checks on the financial controls. During the year, the Trustees received 3 visit reports from the internal auditors and an Annual Report which was presented to the Board.

Reserves Policy

The Trustees review the reserve levels of the Academy at least every term. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be a maximum of 5% of the General Annual Grant (GAG), which represents just over 50% of our current average monthly outgoings, with a minimum level of around 2% of GAG. The level of reserves held is monitored closely by the College Manager to ensure they are sufficient for the needs of the Academy and corrective action is taken where necessary. These are identified on the monthly budget monitors and 3 year forecasts which are presented at Finance and Premises Committee. These reserves are taken into account when any budget planning or forecasts are produced.

The level of free reserves as at 31 August 2015 were £115,141, which is 2.5% of GAG.

The defined benefit pension scheme has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the funds, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. All funds surplus to immediate requirements are invested to optimal effect taking into account the period available, current interest rates and associated risks.

Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Principal and College Manager within strict guidelines approved by the Governing Body as defined in our Investment Policy.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

Financial – the Academy has considerable reliance on continued Government funding through the EFA. In the last year 95% of the Academy's incoming resources were ultimately 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.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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

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

Demographic and Strategic – the combination of increased freedoms with respect to new schools, free schools and UTCs with the uncertain rate of demographic growth in the local area exposes the Academy Trust to financial and comparative reputational risk, should student numbers fall. To mitigate the risk, Trustees strive to secure the latest information available, and adopt the strategies indicated above.

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, health and safety and discipline.

Staffing- the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. With regard to staff consultation, the Governing Body is committed to ensuring that staff of the Academy Trust are consulted at all times on fundamental issues impacting on their employment and conditions of service.

Fraud and mismanagement of funds – The Academy Trust has appointed a Responsible Officer/internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All Finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

Disability and Equality – The Governing Body is committed to the elimination of discrimination and ensuring equal treatment in employment. This applies to all stages of employment, including recruitment, selection, learning and training, pay, working relationships, career development, redundancy and retirement. This commitment is clearly demonstrated in the Academy Trust's policies.

Over the next 3 years there are significant challenges which we need to address. Some are within our control; others await national resolution and further development.

Learning:

- Responding to the issues for action from the Ofsted Report
- Making sure all learners make good progress
- Improving the effectiveness of the curriculum to support the above; national changes will have resource implications.
- Responding to the national changes to assessment in public examinations and performance.

Staffing:

- Implementation of changes to Teachers' pay and conditions
- The future of our learning community
- Succession planning
- Managed reductions in light of funding changes and increased pension/NI contributions

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Finance and Premises:

- Managing uncertain student numbers in the light of changing local demographic position
- Addressing the quality and sustainability of the learning environment
- Changes to national and local schools funding formulae and levels
- Significant changes to the funding of students with special educational needs including within the College's Hearing Support Centre

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

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

Risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue to strive to provide an outstanding standard of education and improve the performance of its pupils at all levels and will continue its efforts to ensure its students gain jobs or a place in higher education once they leave.. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

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

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

The Academy Trust aims in the future to develop its specialism in Science, Maths and Computing to embrace the STEM agenda and opportunities becoming evident in its locale. This will include building partnerships with local business and business organisations to enrich the curriculum and develop appropriate skills.

Following the notification of a successful capital funding bid, the Academy has completed construction of its new Humanities teaching block. The Academy will continue to seek funding to complete the second and third phases of a site 'master plan'.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming 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 10 December 2015 and signed on the board's behalf by:

**Simon Sanger-Anderson
Chair of Trustees**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Clyst Vale Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Dr K Bawn (Principal & Accounting Officer)	8	8
S Sanger-Anderson (Chair)	8	8
L Stephan	5	8
G Stroud	8	8
C Durston (Retired 29/06/15)	6	7
G Evans	7	8
M Prance (Staff Trustee)	6	8
D Hewlett (Staff Trustee) (Retired 23/03/15)	4	5
J Farnhill (Retired 14/10/14)	0	1
P Colin (Staff Trustee)	7	8
T Grieve	7	8
S Watt (Staff Trustee)	5	8
B Brook	7	8
N Cooke (Appointed 22/09/14) (Retired 31/01/15)	2	3
R Wood (Appointed 28/04/15)	2	2
D Ruscoe (Appointed 23/03/15)	3	3
C Winlove (Appointed 22/09/14)	8	8
S Collins (Appointed 05/11/14)	6	6

During the year, 5 Governors were appointed and 4 Governors retired (one new appointment retired soon after appointment). The need to recruit replacements prompted a skills review by the Chair and Principal which informed the subsequent appointments. Chairs of Committees remained unchanged.

Investigation into the theft reported in last year's report is on-going with funds of £37,245.13 having been recovered.

Clyst Vale is fortunate to have a dedicated number of Governors who are fully involved in the Governance of the College. Membership of the Board is evolving, with several retirees and new appointments in 2014/15. Whilst this could be viewed as a positive change with new Governors bringing their individual experience to Clyst Vale, care is being taken to ensure that new Governors are fully trained and hold the required skillset in order to fulfil their role. This is made clear when vacancies arise; particular skillsets sought relate to finance and marketing skills. The Governing Body keeps its skillset under review, including when conducting self-assessment, for example at periodic training "awaydays". The Ofsted inspection of June 2015 noted that Governance was now "good". In order to help the induction and training of Governors, a structural change has been made to meetings from September 2015 to provide more informal briefings and workshops on key issues as they arise.

The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to be responsible for monitoring, evaluating, and reviewing policy and performance in relation to financial

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GOVERNANCE STATEMENT (continued)

management, compliance with reporting and regulatory requirements and reporting, reviewing and making recommendations to the Full Board of Trustees on the annual budget including setting staffing levels. This committee also considers premises and health and safety on a regular basis.

The Finance & Premises Committee has formally met 6 times during the period 1 September 2014 to 31st August 2015.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K Bawn (Principal)	6	6
S Sanger-Anderson	3	6
G Stroud (Chair)	6	6
T Grieve	6	6
S Collins (Appointed 05/11/14)	2	3
D Hewlett (Staff Trustee) (Retired 23/03/15)	2	4
S Watt (Staff Trustee)	5	6
B Brook	6	6

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to maintain an oversight of the Academy Trust's governance, risk management, internal control and value for money systems and frameworks. A report will be presented by the Audit Committee to the Board at least annually in this regard, showing any recommendations they feel necessary.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Durston (Chair)	3	3
P Colin (Staff Trustee)	3	3
T Grieve	3	3

REVIEW OF VALUE FOR MONEY

As accounting officer the principal 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 board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

1. Raising student achievement

Outcomes for students at Clyst Vale Community College continue to be above national averages. 72.3% of pupils achieved 5 or more A* - C grades including English and Maths, well above the national outcome. Progress in English, Maths and Science was either above or well above above national averages. Students' "value added" scores improved significantly. Although A2 results were lower than 2013-14, at 98% A* - E and 43% A* - B, the value-added progress measure was outstanding, as the cohort's prior attainment was low.

The performance of students on the SEN register was good, and similarly disadvantaged pupils made good progress with an upward trend over three years.

Last year's results demonstrate that Clyst Vale Community College has continued to deliver an excellent standard of education in a fully inclusive and comprehensive environment. Other key performance indicators support this: pupil attendance was over 94.9% over the year and exclusion rates were low.

GOVERNANCE STATEMENT (continued)

2. Robust governance and oversight of Academy Trust Finances

The Finance & Premises Committee of the Governing Body scrutinises and supports the work of the Academy's Finance Team. In 2014-15 meetings were held eight times a year and involved a detailed analysis of the latest cumulative Monthly Budget Monitor Report. The Academy College Manager ensures that the Academy's procurement policies, as detailed in the Finance Policy are being adhered to. The Financial Policy also sets out the process by which the College ensures value for money on all expenditure; in addition to this benchmarking is used as a tool to ensure that this is achieved.

The Governing Body keeps under review a staffing structure for the Academy. Changes can be made to this structure with approval of the Finance & Premises Committee who must be satisfied that adequate budgetary provision exists for any establishment changes. In 2014-15, staffing reductions were achieved through non-renewal of fixed-term contracts, non-replacement of leavers, and one redundancy.

The Principal has the authority to appoint staff within the authorised structure. The College Manager has the authority to appoint support staff.

The Principal and College Manager review the financial implications of any appointment before an offer of appointment is made.

3. Maximising income generation

The Academy explores every opportunity to generate income through hire of Academy facilities and through the submission of bids for additional funding as appropriate.

4. Reviewing operation to maximise use of resources

The Finance & Premises Committee reviews expenditure within each budget heading annually and makes adjustments based on curriculum change, staffing changes and any new strategies identified in the Academy Improvement Plan.

The Academy has worked with an external team of consultants to produce a Strategic Site Master Plan for the development of the site when capital funding is available. Phase one of this plan was completed for September 2015, both within budget and on time. There is a separate plan to ensure efficient prioritisation of maintenance work.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Clyst Vale Academy Trust for the period 1st September 2014 to 31 August 2015 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1st September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (continued)

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 Premises 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 of Trustees has considered the need for a specific internal audit function and has decided to continue to operate a separate Audit Committee with the services of North Somerset County Council which undertakes a programme of checks on the financial systems and controls. They report their findings to the Audit Committee to review and to take appropriate action as necessary, as defined in the Audit Committee Terms of Reference.

The Audit Committee works closely with North Somerset Council in giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. It also works closely with the Accounting Officer and College Manager. The Responsible Officer nominated by the Audit Committee reports to the Board of Trustees' on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.

The appointed Responsible Officer was C Durston.

During the year we conducted our checks as planned and submitted reports of our findings and recommendations to the Governing Body as defined in our Terms of Reference.

Our overall opinion is that the controls over the financial activities are reasonably effective. There were no material control issues which arose as a result of these checks.

REVIEW OF EFFECTIVENESS

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

One specific area that has been changed with immediate effect is the procedure for the request to change authorised supplier bank account details on our system. This was as a result of the fraudulent incident described in the annual accounts of 2013/14.

**CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the board of trustees on 10 December 2015 and signed on its behalf, by:

**S Sanger-Anderson
Chair of Trustees**

**Dr K Bawn, Principal
Accounting Officer**

**CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

**Dr K Bawn, Principal
Accounting Officer**

Date: 10 December 2015

**CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

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

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

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

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

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

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

Approved by order of the members of the board of trustees and signed on its behalf by:

**Simon Sanger-Anderson
Chair of Trustees**

Date: 10 December 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLYST VALE ACADEMY TRUST

We have audited the financial statements of Clyst Vale Academy Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLYST VALE ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

16 December 2015

**CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 15 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Clyst Vale Academy Trust during the year 1 September 2014 to 31 August 2015 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 Clyst Vale Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Clyst Vale Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Clyst Vale Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF CLYST VALE ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Clyst Vale Academy Trust's funding agreement with the Secretary of State for Education dated 28 March 2011, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

**CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

16 December 2015

**CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Transfer from local authorities on conversion	2	-	-	-	-	114,000
Other voluntary income	2	15,470	-	-	15,470	2,009
Activities for generating funds	3	176,333	-	-	176,333	137,215
Investment income	4	686	-	-	686	4,108
Incoming resources from charitable activities	5	40,509	5,022,791	154,680	5,217,980	7,358,492
TOTAL INCOMING RESOURCES		232,998	5,022,791	154,680	5,410,469	7,615,824
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs		190,306	-	-	190,306	151,479
Charitable activities		60,318	5,136,187	308,809	5,505,314	5,725,167
Governance costs	9	-	22,859	-	22,859	11,552
Exceptional item	10	-	(37,245)	-	(37,245)	320,897
TOTAL RESOURCES EXPENDED	6	250,624	5,121,801	308,809	5,681,234	6,209,095
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(17,626)	(99,010)	(154,129)	(270,765)	1,406,729

**CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	19	-	(35,352)	35,352	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		(17,626)	(134,362)	(118,777)	(270,765)	1,406,729
Actuarial gains and losses on defined benefit pension schemes		-	(103,000)	-	(103,000)	(291,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(17,626)	(237,362)	(118,777)	(373,765)	1,115,729
Total funds at 1 September		132,767	(1,774,898)	12,981,817	11,339,686	10,223,957
TOTAL FUNDS AT 31 AUGUST		115,141	(2,012,260)	12,863,040	10,965,921	11,339,686

All activities relate to continuing operations.

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

The notes on pages 27 to 46 form part of these financial statements.

CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07564519

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	16		12,763,635		12,910,794
CURRENT ASSETS					
Debtors	17	106,718		368,628	
Cash at bank and in hand		782,488		531,080	
			889,206	899,708	
CREDITORS: amounts falling due within one year	18	(673,920)		(673,816)	
NET CURRENT ASSETS					
			215,286		225,892
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	26		(2,013,000)		13,136,686
					(1,797,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY					
			10,965,921		11,339,686
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	19	740		22,102	
Fixed asset funds	19	12,863,040		12,981,817	
Restricted funds excluding pension liability		12,863,780		13,003,919	
Pension reserve		(2,013,000)		(1,797,000)	
Total restricted funds			10,850,780		11,206,919
Unrestricted funds	19		115,141		132,767
TOTAL FUNDS					
			10,965,921		11,339,686

The financial statements were approved by the Trustees, and authorised for issue, on 10 December 2015 and are signed on their behalf, by:

Simon Sanger-Anderson
Chair of Trustees

The notes on pages 27 to 46 form part of these financial statements.

**CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	21	445,837	(430,041)
Returns on investments and servicing of finance	22	686	4,108
Capital expenditure and financial investment	22	(195,115)	(86,588)
INCREASE/(DECREASE) IN CASH IN THE YEAR		251,408	(512,521)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase/(Decrease) in cash in the year	251,408	(512,521)
MOVEMENT IN NET FUNDS IN THE YEAR	251,408	(512,521)
Net funds at 1 September 2014	531,080	1,043,601
NET FUNDS AT 31 AUGUST 2015	782,488	531,080

The notes on pages 27 to 46 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

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 and include grants from the Department for Education.

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

1.3 INCOMING RESOURCES

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 RESOURCES EXPENDED

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2015.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

Long term leasehold land	-	Over the length of the lease
Long term leasehold buildings	-	2% straight line
Fixtures and fittings	-	10%/20% straight line
Computer equipment	-	20% straight line

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

With the exception of long term leasehold property, fixed assets transferred on conversion to an Academy Trust are depreciated over their useful economic life from the date in which they were originally purchased by the predecessor school.

1.7 OPERATING LEASES

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 TAXATION

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.9 PENSIONS

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

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

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

1.10 AGENCY ARRANGEMENTS

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

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FOR THE YEAR ENDED 31 AUGUST 2015

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfer from local authorities on conversion	-	-	-	114,000
Donations	15,470	-	15,470	2,009
Voluntary income	15,470	-	15,470	116,009

During the prior year, the Academy received confirmation from the EFA that an amount of £114,000 advanced to it as settlement regarding a building project completed just before academy conversion in 2011 is not payable to the EFA. Previously, a liability for this amount had been accrued in the accounts. Accordingly, the £114,000 was recognised as income in the prior year. It represents the surplus that the school had accrued prior to conversion that had not previously been recognised.

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings	4,066	-	4,066	5,509
Trip Income	172,267	-	172,267	131,706
	176,333	-	176,333	137,215

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	686	-	686	4,108

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5. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
Capital Grants	-	154,680	154,680	1,941,111
General Annual Grant	-	4,617,040	4,617,040	4,762,744
Other DfE/EFA grants	-	178,131	178,131	164,089
	<u>-</u>	<u>4,949,851</u>	<u>4,949,851</u>	<u>6,867,944</u>
Other government grants				
High Needs	-	218,235	218,235	401,688
	<u>-</u>	<u>218,235</u>	<u>218,235</u>	<u>401,688</u>
Other funding				
Sales to students	9,094	-	9,094	8,106
Other	31,415	9,385	40,800	80,754
	<u>40,509</u>	<u>9,385</u>	<u>49,894</u>	<u>88,860</u>
	<u>40,509</u>	<u>5,177,471</u>	<u>5,217,980</u>	<u>7,358,492</u>

6. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other 2015 £	Total 2015 £	Total 2014 £
Costs of generating funds	-	-	190,306	190,306	151,479
COSTS OF GENERATING FUNDS	<u>-</u>	<u>-</u>	<u>190,306</u>	<u>190,306</u>	<u>151,479</u>
ACADEMY'S EDUCATIONAL OPERATIONS:					
Direct costs	3,691,178	191,402	307,979	4,190,559	4,238,981
Support costs	801,381	244,721	268,653	1,314,755	1,486,186
Subtotal charitable activities	<u>4,492,559</u>	<u>436,123</u>	<u>576,632</u>	<u>5,505,314</u>	<u>5,725,167</u>
GOVERNANCE	10,313	-	12,546	22,859	11,552
OTHER RESOURCES EXPENDED	<u>-</u>	<u>-</u>	<u>(37,245)</u>	<u>(37,245)</u>	<u>320,897</u>
	<u>4,502,872</u>	<u>436,123</u>	<u>742,239</u>	<u>5,681,234</u>	<u>6,209,095</u>

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7. DIRECT COSTS

	2015 £	2014 £
Pension finance costs	41,000	47,000
Educational supplies	77,363	90,676
Examination fees	97,156	96,787
Staff development	18,292	21,780
Other costs	32,312	106,620
Supply teachers	65,236	27,648
Wages and salaries	2,907,799	2,975,303
National insurance	220,591	227,437
Pension cost	479,260	475,869
Depreciation	251,550	169,861
	<u>4,190,559</u>	<u>4,238,981</u>

8. SUPPORT COSTS

	2015 £	2014 £
Bad debts	57	-
Recruitment and support	15,940	19,413
Maintenance of premises and equipment	81,186	68,925
Cleaning	7,378	9,198
Rent and rates	60,577	81,696
Energy costs	53,497	68,087
Insurance	12,087	37,681
Security and transport	20,241	13,809
Catering	40,541	39,417
Office overheads	67,980	79,906
Legal and professional	96,457	109,959
Bank interest and charges	174	-
Wages and salaries	661,883	741,300
National insurance	36,190	41,925
Pension cost	103,308	108,186
Depreciation	57,259	66,684
	<u>1,314,755</u>	<u>1,486,186</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. GOVERNANCE COSTS

	2015 £	2014 £
Auditors' remuneration	6,650	6,650
Auditors' non audit costs	4,070	2,005
Legal and Professional	1,067	1,296
Other costs	759	1,601
Wages and salaries	8,863	-
National insurance	14	-
Pension costs	1,436	-
	<u>22,859</u>	<u>11,552</u>

10. EXCEPTIONAL ITEM

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Loss through theft	-	(37,245)	(37,245)	320,897
	<u>-</u>	<u>(37,245)</u>	<u>(37,245)</u>	<u>320,897</u>

During the year the academy has recovered £37,245 from last years theft. The academy is unable to reliably estimate how much more money will or may be recovered and therefore has only recognised what has been recovered to date.

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	308,809	236,545
Auditors' remuneration	6,650	6,650
Auditors' remuneration - non-audit	4,070	2,005
Operating lease rentals:		
- plant and machinery	-	3,300
- other operating leases	19,721	19,814
	<u>19,721</u>	<u>19,814</u>

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12. STAFF

a. Staff costs

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	3,578,545	3,716,603
Social security costs	256,795	269,362
Pension costs	584,004	584,055
	4,419,344	4,570,020
Agency supply teacher costs	65,236	27,648
Staff restructuring costs	18,292	-
	4,502,872	4,597,668

b. Staff severance payments

Included in staff restructuring costs are non-contractual severance payments totalling £18,292 (2014: £Nil). Individually, the payments were £2,192, £11,600 and £4,500.

c. Staff numbers

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

	2015	2014
	No.	No.
Teachers	59	61
Administration and support	43	52
Management	7	7
	109	120

d. Higher paid staff

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

	2015	2014
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these members of staff amounted to £20,078 (2014: £19,667).

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13. TRUSTEES' REMUNERATION AND EXPENSE

During the year retirement benefits were accruing to 5 Trustees (2014: 5) in respect of defined benefit pension schemes.

During the year, no Trustees received any reimbursement of expenses (2014: £NIL).

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits was as follows: Paul Colin: Remuneration £55,000 - £60,000 (2014: £50,000 - £55,000) Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000), Kevin Bawn: Remuneration £75,000 - £80,000 (2014: £75,000 - £80,000), Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000), David Hewlett: Remuneration £35,000 - £40,000 (2014: £35,000 - £40,000) Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000), Melanie Prance: Remuneration £40,000 - £45,000 (2014: £40,000 - £45,000) Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000), Sara Watt: Remuneration £35,000 - £40,000 (2014: £30,000 - £35,000) Employer's pension contributions £5,000 - £10,000 (2014: £0 - £5,000).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 the cover was provided through the Education Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the trustee indemnity element is not separately identifiable (2014: £2,254).

15. OTHER FINANCE INCOME

	2015	2014
	£	£
Expected return on pension scheme assets	98,000	94,000
Interest on pension scheme liabilities	(139,000)	(141,000)
	<u>(41,000)</u>	<u>(47,000)</u>

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16. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2014	13,276,718	299,902	402,184	13,978,804
Additions	120,180	24,374	17,096	161,650
	<u>13,396,898</u>	<u>324,276</u>	<u>419,280</u>	<u>14,140,454</u>
At 31 August 2015	<u>13,396,898</u>	<u>324,276</u>	<u>419,280</u>	<u>14,140,454</u>
DEPRECIATION				
At 1 September 2014	645,309	111,631	311,070	1,068,010
Charge for the year	234,970	36,976	36,863	308,809
	<u>880,279</u>	<u>148,607</u>	<u>347,933</u>	<u>1,376,819</u>
At 31 August 2015	<u>880,279</u>	<u>148,607</u>	<u>347,933</u>	<u>1,376,819</u>
NET BOOK VALUE				
At 31 August 2015	<u>12,516,619</u>	<u>175,669</u>	<u>71,347</u>	<u>12,763,635</u>
At 31 August 2014	<u>12,631,409</u>	<u>188,271</u>	<u>91,114</u>	<u>12,910,794</u>

17. DEBTORS

	2015 £	2014 £
Trade debtors	9,657	33,151
VAT recoverable	46,360	207,426
Other debtors	2,401	2,975
Prepayments and accrued income	48,300	125,076
	<u>106,718</u>	<u>368,628</u>

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

	2015 £	2014 £
Trade creditors	123,734	1,225
Other taxation and social security	74,689	79,677
Amount owing to EFA	333,535	-
Other creditors	73,109	69,318
Accruals and deferred income	68,853	523,596
	<u>673,920</u>	<u>673,816</u>

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**18. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)**

	£
DEFERRED INCOME	
Deferred income at 1 September 2014	81,671
Resources deferred during the year	46,638
Amounts released from previous years	<u>(81,671)</u>
Deferred income at 31 August 2015	<u><u>46,638</u></u>

At the balance sheet date the school had deferred income in relation to trips and reimbursement of rates expenditure for the 2015/16 year.

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	132,767	232,998	(250,624)	-	-	115,141
RESTRICTED FUNDS						
General Annual Grant (GAG)	22,102	4,617,040	(4,603,050)	(35,352)	-	740
High Needs	-	218,235	(218,235)	-	-	-
Pupil premium	-	151,836	(151,836)	-	-	-
Other restricted funds	-	35,680	(35,680)	-	-	-
Pension reserve	(1,797,000)	-	(113,000)	-	(103,000)	(2,013,000)
	<u>(1,774,898)</u>	<u>5,022,791</u>	<u>(5,121,801)</u>	<u>(35,352)</u>	<u>(103,000)</u>	<u>(2,012,260)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	10,371,063	-	(218,921)	-	-	10,152,142
Fixed assets purchased from GAG	137,302	-	(35,095)	35,352	-	137,559
DfE/EFA capital grants	2,473,452	154,680	(54,793)	-	-	2,573,339
	<u>12,981,817</u>	<u>154,680</u>	<u>(308,809)</u>	<u>35,352</u>	<u>-</u>	<u>12,863,040</u>
Total restricted funds	<u>11,206,919</u>	<u>5,177,471</u>	<u>(5,430,610)</u>	<u>-</u>	<u>(103,000)</u>	<u>10,850,780</u>
Total of funds	<u><u>11,339,686</u></u>	<u><u>5,410,469</u></u>	<u><u>(5,681,234)</u></u>	<u><u>-</u></u>	<u><u>(103,000)</u></u>	<u><u>10,965,921</u></u>

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 use for the normal running costs of the Academy Trust, including education and support costs.

High needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - Income from the EFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

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

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

Fixed Asset Funds

Fixed assets transferred on conversion – This represent the buildings and equipment donated to the school from the Local Authority on conversion to an Academy Trust.

Fixed assets purchased from GAG - This represents fixed assets which were purchased from GAG funding. The balance at the year end represents the NBV of assets.

Capital Grants – These funds were received for direct expenditure on fixed asset projects. The balance at the year end represents the NBV of assets and any unspent grant amounts.

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 2015.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	12,763,635	12,763,635	12,910,794
Current assets	115,141	599,253	174,812	889,206	899,708
Creditors due within one year	-	(598,513)	(75,407)	(673,920)	(673,816)
Pension scheme liability	-	(2,013,000)	-	(2,013,000)	(1,797,000)
	<u>115,141</u>	<u>(2,012,260)</u>	<u>12,863,040</u>	<u>10,965,921</u>	<u>11,339,686</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(270,765)	1,406,729
Returns on investments and servicing of finance	(686)	(4,108)
Net assets transferred on conversion	-	(114,000)
Depreciation of tangible fixed assets	308,809	236,545
Capital grants from DfE	(234,860)	(1,941,111)
Decrease/(increase) in debtors	261,910	(189,549)
Increase in creditors	268,429	66,453
FRS17 pension finance (income)/cost	41,000	47,000
FRS17 pension costs less contributions paid	72,000	62,000
NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS	<u>445,837</u>	<u>(430,041)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	<u>686</u>	<u>4,108</u>
	2015 £	2014 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(429,975)	(1,947,699)
Capital grants from DfE	<u>234,860</u>	<u>1,861,111</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u><u>(195,115)</u></u>	<u><u>(86,588)</u></u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	<u>531,080</u>	<u>251,408</u>	-	<u>782,488</u>
NET FUNDS	<u><u>531,080</u></u>	<u><u>251,408</u></u>	-	<u><u>782,488</u></u>

24. MEMBERS' LIABILITY

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

25. CAPITAL COMMITMENTS

At 31 August 2015 the Academy Trust had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	<u><u>84,404</u></u>	<u><u>71,024</u></u>

26. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £362,568 (2014: £366,571).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £202,000, of which employer's contributions totalled £153,000 and employees' contributions totalled £49,000. The agreed contribution rates for future years are 18.7% for employers and 5.5 - 7.5% for employees.

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

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities and gilts	6.00	1,075,000	6.40	1,013,000
Bonds	6.00	85,000	3.60	63,000
Property	6.00	185,000	5.90	151,000
Cash	6.00	40,000	2.90	32,000
Target return portfolio	6.00	259,000	5.90	226,000
Infrastructure and alternative assets	6.00	84,000	4.50	73,000
Total market value of assets		<u>1,728,000</u>		<u>1,558,000</u>
Present value of scheme liabilities		<u>(3,741,000)</u>		<u>(3,335,000)</u>
Deficit in the scheme		<u><u>(2,013,000)</u></u>		<u><u>(1,777,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	<u>(3,741,000)</u>	(3,355,000)
Fair value of scheme assets	<u>1,728,000</u>	<u>1,558,000</u>
Net liability	<u><u>(2,013,000)</u></u>	<u><u>(1,797,000)</u></u>

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

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

	2015	2014
	£	£
Current service cost	(225,000)	(222,000)
Interest on obligation	(139,000)	(141,000)
Expected return on scheme assets	98,000	94,000
	<u> </u>	<u> </u>
Total	(266,000)	(269,000)
	<u> </u>	<u> </u>

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

	2015	2014
	£	£
Opening defined benefit obligation	3,355,000	2,878,000
Current service cost	225,000	222,000
Interest cost	139,000	141,000
Contributions by scheme participants	49,000	50,000
Actuarial Losses	1,000	64,000
Benefits paid	(28,000)	-
	<u> </u>	<u> </u>
Closing defined benefit obligation	3,741,000	3,355,000
	<u> </u>	<u> </u>

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

	2015	2014
	£	£
Opening fair value of scheme assets	1,558,000	1,481,000
Expected return on assets	98,000	94,000
Actuarial (gains) and losses	(102,000)	(227,000)
Contributions by employer	153,000	160,000
Contributions by employees	49,000	50,000
Benefits paid	(28,000)	-
	<u> </u>	<u> </u>
	1,728,000	1,558,000
	<u> </u>	<u> </u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £843000 (2014: £740,000).

The Academy Trust expects to contribute £145,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities and gilts	62.00 %	65.00 %
Bonds	5.00 %	4.00 %
Property	11.00 %	10.00 %
Cash	2.00 %	2.00 %
Target return portfolio	15.00 %	14.00 %
Infrastructure and alternative assets	5.00 %	5.00 %

CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Expected return on scheme assets at 31 August	6.00 %	6.00 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	26.1	26.0
Retiring in 20 years		
Males	25.1	24.9
Females	28.4	28.3

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015	2014	2013
	£	£	£
Defined benefit obligation	(3,741,000)	(3,355,000)	(2,878,000)
Scheme assets	1,728,000	1,558,000	1,481,000
Deficit	(2,013,000)	(1,797,000)	(1,397,000)
Experience adjustments on scheme liabilities	(1,000)	(64,000)	(153,000)
Experience adjustments on scheme assets	(102,000)	(227,000)	100,000

27. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
EXPIRY DATE:		
Within 1 year	-	6,445
Between 2 and 5 years	19,721	15,096
Total	19,721	21,541

28. RELATED PARTY TRANSACTIONS

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

A Ruscoe, daughter of D Ruscoe, a trustee, is employed by the Academy. A Ruscoe's appointment was made in open competition and D Ruscoe was not involved in the decision making process. A Ruscoe is paid within the normal pay scale for her role and she receives no special treatment as a result of her relationship with a Trustee.

J Colin, spouse of P Colin, a trustee, is employed by the Academy. J Colin's appointment was made in open competition and P Colin was not involved in the decision making process. J Colin is paid within the normal pay scale for her role and she receives no special treatment as a result of her relationship with a Trustee.

29. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the year ending 31 August 2015 the trust received £14,135 and disbursed £17,451 from the fund, including from funds brought forward from the previous year.