

CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

**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
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

Kevin Bawn
Simon Sanger-Anderson
Levon Stephan
Georgina Stroud
David Evans

Trustees

Kevin Bawn, Principal^{1,2}
Levon Stephan^{2,3}
Georgina Stroud, Co-Chair (from 26 September 2016)^{2,3}
Paul Colin, Staff Trustee^{2,4}
Simon Sanger-Anderson, Chair (until 26 September 2016)^{1,5}
David Evans, Co-Chair (from 26 September 2016)^{2,5}
Melanie Prance, Staff Trustee²
Teresa Grieve^{2,4}
Sara Watt, Staff Trustee (resigned 3 March 2016)¹
Ben Brook^{1,3}
Sharon Collins (Resigned 11 May 2016)¹
Crawford Winlove²
Dorothy Ruscoe²
Rebecca Wood (Resigned 21 September 2015)²
Ceri Johnson (Appointed 12 October 2015)¹
Michael Davies (Appointed 11 July 2016)¹

- 1 Finance and Premises
- 2 Curriculum, Learning and Teaching
- 3 Pay
- 4 Audit Committee
- 5 Appeals Committee

**Company registered
number**

07564519

Company name

Clyst Vale Academy Trust

**Principal and Registered
office**

Station Road
Broadclyst
Exeter
Devon
EX5 3AJ

Company secretary

J 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

**CLYST VALE ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (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 2016**

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

The Trust operates an academy for pupils aged 11 to 18 in East Devon. It has a pupil capacity of 1,121, with an intake of 156 and had a roll of 914 in the school census on 1 October 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy 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 ceased 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 RPA.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy's Board of Trustees comprises the Principal who is treated for all purposes as being an ex officio Governor, 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 and 3 Co-opted Trustees.

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

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.

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

There is a Trustees' away day 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 once each term. 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.

In 2015/16 there were committees as follows;

- Finance and Premises Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, 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 matters on a regular basis. From 2016/17 It will also incorporate the role of an audit committee.
- Curriculum Committee - this meets once a term 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 consider/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 review. 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 Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

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

The Trustees and Board of 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 to them on performance.

The Principal, and College Manager are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. 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 always include a Governor.

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

The Principal is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

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

The pay of key management personnel is based on STPCD and JNC nationally negotiated salaries and reviewed annually.

The Trustees benchmark against pay levels in other Academies of a similar size.

Connected Organisations, including Related Party Relationships

Clyst Vale Academy has use of the Broadclyst Sports Hall leisure facilities and there is a shared use agreement between it and the Academy.

The Academy has strong collaborative links with 7 feeder primary schools which form part of the Clyst Vale Local Learning Community.

Clyst Vale belongs to the Jurassic Coast Teaching School Alliance, Clyst Vale is also in partnership with Ndururumo High School, Nyahururu, Kenya.

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

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop students as more effective learners.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to maintain close links with industry and commerce.
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Clyst Vale Community College (Academy Trust) we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

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

Objectives, Strategies and Activities

Key priorities for the year are contained in our College Improvement Plan which is available from the College website.

Improvement focuses identified for this year include:-

Improving Student Progress

All subjects: Close gaps between disadvantaged students and others
All subjects: Improve teaching and outcomes from good to outstanding.
All subjects: Improve outcomes for most able students.
All subjects: Improve outcomes for lowest-attaining students on entry.
Sixth Form: All subjects: Focus on AS progress.

Improving Impact of Teaching

Increase aspiration and expectations for all abilities.
Improve attitudes for learning.
Develop Quality First Teaching for all.
Improve feedback to students, quality of marking and marking for literacy.
Develop and improve boy's aspirations.

Improving Leadership

Middle Leaders: improve monitoring/evaluating and focus on outcomes
SLT: more targeted analysis, monitoring and support.
Governors: Improved evaluation (especially of external funding)
Increased student leadership (including student voice on Teaching and Learning)
Embedding a safeguarding culture.

Public Benefit

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

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 has 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.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its sixth year of operation. The total number of students in the year ended 31 August 2016 was 915. The Academy Trust currently admits up to 156 students each year although capacity is higher.

Examination results for 2016 represented solid achievement, although not as strong as in recent record years of 2014 and 2015.

At GCSE, 66% of students achieved a good pass in English and Maths;
The Attainment 8 Measure was 50.72;
18% of students achieved the English Baccalaureate suite of subjects;
The overall Progress 8 Measure was -0.14;
6 students achieved ten or more A*-A grades;
27 students achieved five or more A grades;
21% of all grades achieved were A*-A;
72% of all grades achieved were C or better;

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**TRUSTEES' REPORT (continued)
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All students left with at least one GCSE qualification.

A-Level results met expectations.

37 % of grades achieved were at A* - B, and the overall pass rate was 99.3%.

The value-added score for A-levels was -0.07, which is in line with national outcomes;

The value-added score for applied Level 3 qualifications (BTec) was 0.78, which is above national outcomes.

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.

Continuing professional development for all staff has been very successful with a strong and narrower focus on teaching and learning.

The Academy prides itself on promoting citizenship and important human qualities of empathy and compassion. During the year the Academy's charity fundraising activities raised £2,255.04
All funds have been transferred to the relevant charities.

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. As noted below, Clyst Vale Governors are actively pursuing opportunities and engaging with local schools, both primary and secondary, to explore and develop a Multi-Academy Trust model.

Key Performance Indicators

The biggest determinant of income is pupil numbers, although the nature of local demographics means a 'target' is impossible to set. After a decline, pupil numbers in years 7-11 are recovering in 2016/17. Numbers are as follows:

	2015/16 (Oct 15 Census)	2014/15 (Oct 14 Census)	2013/14 (Oct 13 Census)
Student Numbers: Years 7-11	754	790	803
Student Numbers: Sixth Form	160	173	183
No. FSM Students	189	99	89

Headline performance measures changed nationally for 2015-16, and the Academy's actions were as follows. Although all are in line with national expectations, they were below target. (Please note that Progress 8 cannot be targeted in the true sense as it is out of an individual Academy's control).

	2015/16 Actual	2015/16 Target
Attainment 8	50.72	52
Progress 8	-0.14	0.2
% of Students with good pass in English & Maths	66	67
% Achieving EBacc	18	21

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going concern policy (note 1.5).

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 2016 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 which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2016, the Academy received total income of £5,135,566 and incurred total expenditure of £5,000,664, excluding depreciation, transfers and actuarial pension adjustments. The excess of income over expenditure for the year, on this basis, was £134,902.

At 31 August 2016 the net book value of fixed assets was £12,554,529 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies are reviewed and updated in accordance with the Academy Policy Review Cycle Schedule.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The 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 ideally be a maximum of 5% of the General Annual Grant (GAG) which represents just over 50% of our current average monthly outgoings (£250,000), with a minimum level of around 2% of GAG (£100,000). 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 the 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 31st August 2016 were £256,608 which is 5.6% 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.

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

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.

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 97% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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 to financial and comparative reputational risk, should student numbers fall. To mitigate 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 and procedures, health & 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 has appointed a Responsible Officer/internal audit 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 and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, 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 wherever possible.

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

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

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

The Academy is actively pursuing opportunities and engaging with local schools, both primary and secondary, to explore and develop a Multi-Academy Trust model.

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 8 December 2016 and signed on the board's behalf by:

G Stroud
Co-Chair of Trustees

D G Evans
Co-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 Statement of Trustees' responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Kevin Bawn, Principal	4	4
Simon Sanger-Anderson, Chair	3	4
Levon Stephan	4	4
Georgina Stroud	4	4
Sharon Collins	2	3
David Evans	3	4
Melanie Prance, Staff Trustee	2	4
Paul Colin, Staff Trustee	4	4
Teresa Grieve	3	4
Sara Watt, Staff Trustee	2	2
Ben Brook	3	4
Dorothy Ruscoe	3	4
Crawford Winlove	2	4
Ceri Johnson	3	3
Michael Davies	1	1
Rebecca Wood	0	0

Resignations during 2015/16 - R Wood, S Collins and Sara Watt. During the year 2 new Governors were appointed - Ceri Johnson and Michael Davies. The Chair of the Board remained unchanged to the end of 2015/16.

Clyst Vale Academy Trust is fortunate to have a dedicated number of Governors who are fully involved in the Governance of the College. Membership of the Board during 2015/16 has been more stable than previous years though some vacancies are still unfilled. The Board is actively recruiting for new Governors with appropriate skillsets, particularly in financial skills. The Governing Body keeps its skillset under review, particularly at 'awaydays'. The Board will continue to also run a series of informal workshops to explore topics in depth and work on key issues as they arise.

Looking forward to 2016/17, it is the Board's intention to move the Audit function into the Finance and Premises Committee, as a separate Audit Committee is no longer a statutory requirement. In 2015/16 Discussions were initiated regarding MATs, identifying suitable/viable partners.

Governance Review

The effectiveness of governance has been kept under constant review through the meeting cycle and Governor Workshops. There is a renewed focus on this and a more rigorous process has been introduced with a key review date being 17th November 2016.

Care is taken to ensure that new Governors are fully trained and hold the required skillset in order to fulfil their role. The required skillsets are made clear when recruiting for vacancies, particular skillsets currently sought

GOVERNANCE STATEMENT (continued)

relate to finance and marketing skills. The Governing Body keeps its skillset under review, including conducting formal self-assessment, for example at periodic training "Away days". A Governance 'Action Plan' is in development following the latest skills audit.

A Skills Audit and Self Evaluation of Governors is currently underway (October 2016) and will be reported on fully in the 2016/17 report. The Board is currently looking at the Governor Link Programme, matching actions to the priorities outlined in the College Improvement/Strategic Plan.

Discussions on MATs have moved forward. Meetings are taking place with interested parties.

The Finance and Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure that the resources of the College are used to ensure the best provision for its students and to monitor, evaluate and review policy and performance in relation to financial 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. The Committee operates in accordance with the Academies Financial Handbook to maintain effective deployment of College finances and resources. This committee also considers premises, health and safety matters on a regular basis.

During the year Ceri Johnson joined the committee and Sharon Collins and Sara Watt resigned.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K Bawn	3	4
S Sanger-Anderson	4	4
S Collins	2	2
S Watt	1	1
B Brook	4	4
C Johnson	3	3

The Audit Committee is 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. During the year Sharon Collins resigned from the committee

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Collins	2	2
P Colin	3	3
T Grieve	3	3

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Making comparisons with similar Academies using data provided by the EFA and the Government.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.

GOVERNANCE STATEMENT (continued)

- Reviewing quality of children's learning to enable children to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

The Trust consistently strives to achieve the best value for money, in all financial aspects of our activities. There are numerous specific examples which make up a much bigger picture. Examples of procurement efficiencies achieved this year include, a 15% reduction in stationery costs and sourcing a better value for money source for text books. The Trust has hosted training courses, enabling it to recoup the cost of training its own Premises staff by charging other Colleges /Schools to attend.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Clyst Vale Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the 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 appoint North Somerset Council as Internal Auditor for 2015/16. Griffin Chartered Accountants will be appointed Internal Auditor for 2016/17.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank account reconciliations

After each visit the reviewer reports to the Board of Trustees, through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

GOVERNANCE STATEMENT (continued)

During the year ending 31 August 2016 there was a separate Audit Committee. The Board of Trustees has decided to include the functions of this committee within the Finance and Premises committee for subsequent years.

The role of the Audit Committee is primarily to provide assurance over the suitability of, and compliance with, the Academy's financial systems and operational controls, ensuring risks are being adequately identified and managed. To assist with this function it has engaged the services of North Somerset Council which undertakes an agreed programme of checks on the internal systems and controls on their behalf. Findings are reported to and discussed with the Audit Committee, via the nominated Responsible Officer, who take appropriate action as necessary, as defined in the Audit Committee Terms of Reference. The Responsible Officer nominated by the Audit Committee reports annually to the Board of Trustees' on the operation of the systems of control.

During the year ending 31 August 2016 the Audit Committee worked closely with North Somerset Council on financial matters and performed a range of checks on the Academy Trust's financial systems and controls. It also worked closely with the Accounting Officer and College Manager to overcome any weaknesses identified. The responsible Officer throughout the period was Mrs T Grieve.

An agreed programme of 3 formal reviews was planned and carried out by the Audit Committee in conjunction with North Somerset Council during the period. This covered in detail, an analysis of purchases, payroll procedures & systems, governance and contracts & leasing agreements. The findings were analysed by the Audit Committee and recommendations agreed. These findings and recommendations were submitted by the Responsible Officer to the relevant committee to action as deemed appropriate.

A summary annual report was sent to the Full Governing Body detailing the scope of the reviews, findings, recommendations and action to date. The overall opinion is that the system of internal controls are good, only minor weaknesses were identified and resolved, therefore reasonable assurance can be provided. There were no material issues which arose during the reviews.

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 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 Audit Committee/Finance & Premises Committee and all action points identified have been addressed ensuring that continuous improvements of the system is in place.

Approved by order of the members of the Board of Trustees on 8 December 2016 and signed on their behalf, by:

G Stroud
Trustee (Co-Chair)

Dr Kevin Bawn
Accounting Officer

D Evans
Trustee (Co-Chair)

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

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

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

Dr K Bawn
Accounting Officer

Date: 8 December 2016

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

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

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

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

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

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

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

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

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

G Stroud
Co-Chair of Trustees

Date: 8 December 2016

D Evans
Co-Chair of Trustees

Date: 8 December 2016

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

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

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

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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

14 December 2016

**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 2015 to 2016, 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 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

14 December 2016

CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	3,175	21,139	-	24,314	170,150
Charitable activities	5	71,370	4,962,014	-	5,033,384	5,063,300
Other trading activities	3	77,140	-	-	77,140	176,333
Investments	4	728	-	-	728	686
TOTAL INCOME		152,413	4,983,153	-	5,135,566	5,410,469
EXPENDITURE ON:						
Raising funds		74,980	-	-	74,980	190,306
Charitable activities		22,509	5,052,175	302,509	5,377,193	5,561,173
Exceptional item	9	-	-	-	-	(37,245)
TOTAL EXPENDITURE	6	97,489	5,052,175	302,509	5,452,173	5,714,234
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	54,924	(69,022)	(302,509)	(316,607)	(303,765)
		-	5,825	(5,825)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
Actuarial losses on defined benefit pension schemes	23	-	(1,448,000)	-	(1,448,000)	(70,000)
NET MOVEMENT IN FUNDS		54,924	(1,511,197)	(308,334)	(1,764,607)	(373,765)
RECONCILIATION OF FUNDS:						
Total funds brought forward		115,141	(2,012,260)	12,863,040	10,965,921	11,339,686
TOTAL FUNDS CARRIED FORWARD		170,065	(3,523,457)	12,554,706	9,201,314	10,965,921

The notes on pages 24 to 43 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		12,554,529		12,763,635
CURRENT ASSETS					
Debtors	15	92,220		106,718	
Cash at bank and in hand		430,232		782,488	
		<u>522,452</u>		<u>889,206</u>	
CREDITORS: amounts falling due within one year	16	(265,667)		(673,920)	
NET CURRENT ASSETS			<u>256,785</u>		<u>215,286</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,811,314</u>		<u>12,978,921</u>
Defined benefit pension scheme liability	23		(3,610,000)		(2,013,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>9,201,314</u></u>		<u><u>10,965,921</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	86,543		740	
Fixed asset funds	18	12,554,706		12,863,040	
		<u>12,641,249</u>		<u>12,863,780</u>	
Restricted funds excluding pension liability					
Pension reserve		(3,610,000)		(2,013,000)	
		<u>9,031,249</u>		<u>10,850,780</u>	
Total restricted funds			<u>9,031,249</u>		10,850,780
Unrestricted funds	18		170,065		115,141
TOTAL FUNDS			<u><u>9,201,314</u></u>		<u><u>10,965,921</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2016 and are signed on their behalf, by:

G Stroud
Co-Chair of Trustees

D Evans
Co-Chair of Trustees

The notes on pages 24 to 43 form part of these financial statements.

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

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

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	<u>(280,720)</u>	<u>445,837</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		728	686
Purchase of tangible fixed assets		(93,403)	(429,975)
Capital grants from DfE/EFA		21,139	234,860
Net cash used in investing activities		<u>(71,536)</u>	<u>(194,429)</u>
Change in cash and cash equivalents in the year		(352,256)	251,408
Cash and cash equivalents brought forward		<u>782,488</u>	<u>531,080</u>
Cash and cash equivalents carried forward		<u><u>430,232</u></u>	<u><u>782,488</u></u>

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

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Clyst Vale Academy Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

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

1.2 FUND ACCOUNTING

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

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

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

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

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

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

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 GOING CONCERN

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

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

1. ACCOUNTING POLICIES (continued)

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

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

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

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.

1.8 TAXATION

The Academy 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 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 2016**

1. ACCOUNTING POLICIES (continued)

1.9 DEBTORS

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

1.10 CASH AT BANK AND IN HAND

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

1.11 LIABILITIES AND PROVISIONS

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

1.12 FINANCIAL INSTRUMENTS

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

1.13 PENSIONS

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

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

1. ACCOUNTING POLICIES (continued)

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

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

1.14 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 26.

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

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	3,175	-	-	3,175	15,470
Capital Grants	-	21,139	-	21,139	154,680
	<u>3,175</u>	<u>21,139</u>	<u>-</u>	<u>24,314</u>	<u>170,150</u>

In 2015, of the total income from donations and capital grants, £15,470 was unrestricted and £154,680 was in relation to the restricted fixed asset fund.

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3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	5,144	-	5,144	4,066
Trip Income	71,996	-	71,996	172,267
	<u>77,140</u>	<u>-</u>	<u>77,140</u>	<u>176,333</u>

In 2015, the total income from other trading activities of £176,333 was unrestricted.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	728	-	728	686
	<u>728</u>	<u>-</u>	<u>728</u>	<u>686</u>

In 2015, the total investment income of £686 was unrestricted.

5. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	4,606,064	4,606,064	4,617,040
Other DfE/EFA grants	-	194,460	194,460	178,131
	<u>-</u>	<u>4,800,524</u>	<u>4,800,524</u>	<u>4,795,171</u>
Other government grants				
High Needs	-	161,490	161,490	218,235
	<u>-</u>	<u>161,490</u>	<u>161,490</u>	<u>218,235</u>
Other funding				
Sales to students	8,528	-	8,528	9,094
Other	62,842	-	62,842	40,800
	<u>71,370</u>	<u>-</u>	<u>71,370</u>	<u>49,894</u>
	<u>71,370</u>	<u>4,962,014</u>	<u>5,033,384</u>	<u>5,063,300</u>

In 2015, of the total income from charitable activities, £40,509 was unrestricted and £5,022,791 was restricted.

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6. EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total
	2016	2016	2016	2016	2015
	£	£	£	£	£
Expenditure on fundraising trading	-	-	74,980	74,980	190,306
Education:					
Direct costs	3,516,412	197,325	364,289	4,078,026	4,223,559
Support costs	731,402	271,568	296,197	1,299,167	1,337,614
	<u>4,247,814</u>	<u>468,893</u>	<u>735,466</u>	<u>5,452,173</u>	<u>5,751,479</u>

In 2015, the total expenditure on raising funds of £190,306 was from unrestricted funds. In 2015, of the total expenditure on charitable activities, £60,318 was from unrestricted funds, £5,192,046 was from restricted funds and £308,809 was in relation to the fixed asset fund.

7. DIRECT COSTS

	Total	Total
	2016	2015
	£	£
Pension finance costs	79,000	74,000
Educational supplies	77,839	77,363
Examination fees	93,607	97,156
Staff development	18,139	18,292
Other costs	43,521	32,312
Supply teachers	3,242	65,236
Wages and salaries	2,755,430	2,907,799
National insurance	241,886	220,591
Pension cost	515,854	479,260
Depreciation	249,508	251,550
	<u>4,078,026</u>	<u>4,223,559</u>

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8. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Bad debts	6	57
Recruitment and support	22,981	15,940
Maintenance of premises and equipment	97,808	81,186
Cleaning	7,352	7,378
Rent and rates	74,260	60,577
Energy costs	59,280	53,497
Insurance	25,225	12,087
Security and transport	11,596	20,241
Catering	35,549	40,541
Office overheads	66,871	67,980
Legal and professional	94,276	96,457
Bank interest and charges	177	174
Governance	19,383	22,859
Wages and salaries	589,944	661,883
National insurance	36,097	36,190
Pension cost	105,361	103,308
Depreciation	53,001	57,259
	<u>1,299,167</u>	<u>1,337,614</u>

9. EXCEPTIONAL ITEM

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Recovery of loss through theft	-	-	-	(37,245)

During the prior year the academy recovered £37,245 from a theft which occurred in 2014.

10. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	302,509	308,809
Auditors' remuneration - audit	6,650	6,650
Auditors' remuneration - other services	2,900	4,070
Operating lease rentals	14,965	19,721
	<u>327,024</u>	<u>339,250</u>

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11. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	3,345,374	3,569,682
Social security costs	277,983	256,781
Operating costs of defined benefit pension schemes	621,215	582,568
	4,244,572	4,409,031
Agency supply teacher costs	3,242	65,236
	4,247,814	4,474,267

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

	2016	2015
	No.	No.
Teachers	73	69
Administration and support	58	73
Management	7	7
	138	149

Average headcount expressed as a full time equivalent:

	2016	2015
	No.	No.
Teachers	56	59
Administration and support	37	43
Management	7	7
	100	109

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for the role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £491,202 (2015: £473,375).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Trustees (2015: 5) in respect of defined benefit pension schemes.

During the year ended 31 August 2016, expenses totalling £521 (2015: £NIL) were reimbursed to 1 Trustee (2015: NIL).

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their roles as Trustees. The value of Trustees' remuneration and other benefits was as follows: Kevin Bawn: Remuneration £80,000 - £85,000 (2015: £75,000 - £80,000), Employer's pension contributions £10,000 - £15,000 (2015: £10,000 - £15,000), Paul Colin: Remuneration £55,000 - £60,000 (2015: £55,000 - £60,000) Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000), Melanie Prance: Remuneration £40,000 - £45,000 (2015: £40,000 - £45,000) Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000), Sara Watt: Remuneration £15,000 - £20,000 (2015: £35,000 - £40,000) Employer's pension contributions £0 - £5,000 (2015: £5,000 - £10,000).

Other related party transactions involving the trustees are set out in note 25.

13. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

14. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2015	13,396,898	324,276	419,280	14,140,454
Additions	68,963	23,507	933	93,403
At 31 August 2016	<u>13,465,861</u>	<u>347,783</u>	<u>420,213</u>	<u>14,233,857</u>
DEPRECIATION				
At 1 September 2015	880,279	148,607	347,933	1,376,819
Charge for the year	239,241	33,400	29,868	302,509
At 31 August 2016	<u>1,119,520</u>	<u>182,007</u>	<u>377,801</u>	<u>1,679,328</u>
NET BOOK VALUE				
At 31 August 2016	<u>12,346,341</u>	<u>165,776</u>	<u>42,412</u>	<u>12,554,529</u>
At 31 August 2015	<u>12,516,619</u>	<u>175,669</u>	<u>71,347</u>	<u>12,763,635</u>

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15. DEBTORS

	2016 £	2015 £
Trade debtors	11,590	9,657
VAT recoverable	28,145	46,360
Other debtors	2,475	2,401
Prepayments and accrued income	50,010	48,300
	<u>92,220</u>	<u>106,718</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	8,796	123,734
Other taxation and social security	81,041	74,689
Other creditors	71,713	406,644
Accruals and deferred income	104,117	68,853
	<u>265,667</u>	<u>673,920</u>

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	46,638	81,671
Resources deferred during the year	79,026	46,638
Amounts released from previous years	(46,638)	(81,671)
Deferred income at 31 August 2016	<u>79,026</u>	<u>46,638</u>

At the balance sheet date the school had deferred income in relation to trips and reimbursement of rates expenditure for the 2016/17 year.

17. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at amortised cost	<u>472,109</u>	<u>819,176</u>
Financial liabilities measured at amortised cost	<u>(35,448)</u>	<u>(479,484)</u>

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18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	115,141	152,413	(97,489)	-	-	170,065
RESTRICTED FUNDS						
General Annual Grant (GAG)	740	4,606,064	(4,518,299)	(1,962)	-	86,543
High Needs	-	161,490	(161,490)	-	-	-
Pupil premium	-	177,285	(177,285)	-	-	-
Devolved Formula Capital	-	21,139	(28,926)	7,787	-	-
Other restricted funds	-	17,175	(17,175)	-	-	-
Pension reserve	(2,013,000)	-	(149,000)	-	(1,448,000)	(3,610,000)
	<u>(2,012,260)</u>	<u>4,983,153</u>	<u>(5,052,175)</u>	<u>5,825</u>	<u>(1,448,000)</u>	<u>(3,523,457)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	10,152,142	-	(204,543)	-	-	9,947,599
Fixed assets purchased from GAG	137,559	-	(37,285)	1,962	-	102,236
DfE/EFA capital grants	2,573,339	-	(60,681)	(7,787)	-	2,504,871
	<u>12,863,040</u>	<u>-</u>	<u>(302,509)</u>	<u>(5,825)</u>	<u>-</u>	<u>12,554,706</u>
Total restricted funds	<u>10,850,780</u>	<u>4,983,153</u>	<u>(5,354,684)</u>	<u>-</u>	<u>(1,448,000)</u>	<u>9,031,249</u>
Total of funds	<u><u>10,965,921</u></u>	<u><u>5,135,566</u></u>	<u><u>(5,452,173)</u></u>	<u><u>-</u></u>	<u><u>(1,448,000)</u></u>	<u><u>9,201,314</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. During the year £1,962 (2015: £35,352) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

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.

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18. STATEMENT OF FUNDS (continued)

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

Pension reserve – This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

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 was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	12,554,529	12,554,529	12,763,635
Current assets	170,065	352,209	177	522,451	889,206
Creditors due within one year	-	(265,666)	-	(265,666)	(673,920)
Pension scheme liability	-	(3,610,000)	-	(3,610,000)	(2,013,000)
	<u>170,065</u>	<u>(3,523,457)</u>	<u>12,554,706</u>	<u>9,201,314</u>	<u>10,965,921</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(316,607)	(303,765)
Adjustment for:		
Depreciation charges	302,509	308,809
Interest received	(728)	(686)
Decrease in debtors	14,498	261,910
(Decrease)/increase in creditors	(408,253)	268,429
Capital grants from DfE and other capital income	(21,139)	(234,860)
Defined benefit pension scheme cost less contributions payable	70,000	72,000
Defined benefit pension scheme finance cost	79,000	74,000
Net cash (used in)/provided by operating activities	(280,720)	445,837

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	430,232	782,488
Total	430,232	782,488

22. CAPITAL COMMITMENTS

At 31 August 2016 the Academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	84,404

23. PENSION COMMITMENTS

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

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

Contributions amounting to £68,740 were payable to the schemes at 31 August 2016 (2015: £66,399) and are included within creditors.

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,

23. PENSION COMMITMENTS (continued)

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

The employer's pension costs paid to TPS in the period amounted to £408,156 (2015: £355,609).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £195,000 (2015: £202,000), of which employer's contributions totalled £148,000 (2015: £153,000) and employees' contributions totalled £47,000 (2015: £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.

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23. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	26.2	26.1
Retiring in 20 years		
Males	25.2	25.1
Females	28.6	28.4

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities and gilts	1,296,000	1,075,000
Debt instruments	55,000	85,000
Property	206,000	185,000
Cash	35,000	40,000
Target return portfolio	296,000	259,000
Infrastructure and alternative assets	204,000	84,000
Total market value of assets	<u>2,092,000</u>	<u>1,728,000</u>

The actual return on scheme assets was £246,000 (2015: £(4,000)).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(218,000)	(225,000)
Net interest cost	(79,000)	(74,000)
Total	<u>(297,000)</u>	<u>(299,000)</u>

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23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	3,741,000	3,355,000
Current service cost	218,000	225,000
Interest cost	149,000	139,000
Contributions by employees	47,000	49,000
Actuarial losses	1,623,000	1,000
Benefits paid	(76,000)	(28,000)
	<u>5,702,000</u>	<u>3,741,000</u>
Closing defined benefit obligation	<u>5,702,000</u>	<u>3,741,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,728,000	1,558,000
Interest income	71,000	66,000
Actuarial gains and (losses)	175,000	(69,000)
Contributions by employer	148,000	153,000
Contributions by employees	47,000	49,000
Benefits paid	(76,000)	(28,000)
Administration expenses	(1,000)	(1,000)
	<u>2,092,000</u>	<u>1,728,000</u>
Closing fair value of scheme assets	<u>2,092,000</u>	<u>1,728,000</u>

24. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	25,307	19,721
Between 1 and 5 years	40,273	21,680
	<u>65,580</u>	<u>41,401</u>
Total	<u>65,580</u>	<u>41,401</u>

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25. 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.

26. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ended 31 August 2016 the Academy Trust received £14,906 and disbursed £13,527 from the fund. An amount of £1,379 is included in other creditors relating to undistributed funds that is repayable to EFA.

27. MEMBERS' LIABILITY

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

28. GENERAL INFORMATION

Clyst Vale Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Station Road, Broadclyst, Exeter, Devon, EX5 3AJ.

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29. FIRST TIME ADOPTION OF FRS 102

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

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

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		11,339,686	10,965,921
Total funds reported under FRS 102		<u>11,339,686</u>	<u>10,965,921</u>

Reconciliation of net income/ (expenditure)	Notes	31 August 2015 £
Net (expenditure) previously reported under UK GAAP		(270,765)
Change in recognition of LGPS interest cost		(33,000)
Net movement in funds reported under FRS 102		<u>(303,765)</u>

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

Change in recognition of LGPS interest cost	Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in income/expense. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £33,000 and increase the debit/credit in other recognised gains and losses in the SoFA by an equivalent amount.
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