

CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	K Bawn S Sanger-Anderson L Stephan G Stroud D Evans
Trustees	K Bawn, Principal ^{1,2,3} G Stroud, Co-Chair ^{1,2,3} S Sanger-Anderson ^{1,4} D Evans, Co-Chair (resigned 5 July 2018) ^{2,4} M Prance, Staff Trustee ² D Ruscoe ² C Johnson, Vice Chair ² M Davies ^{1,4} T White ^{2,3} B Brook ^{1,3} C Winlove ² L Stephan (resigned 13 November 2017) ^{2,3} S Norris (appointed 14 December 2017) ² A Odunlade, Staff Trustee (appointed 14 December 2017) ² D Walter (appointed 14 December 2017) ² L Waycott (appointed 14 December 2017) ¹ P Colin (appointed 8 March 2018) ² 1 Finance and Premises 2 Curriculum, Learning and Teaching 3 Pay 4 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	D Custance Baker (resigned 2 September 2018) R Long (appointed 29 October 2018)
Accounting Officer	Dr K Bawn
Senior leadership team	K Bawn, Principal A Green, Vice Principal - Curriculum P Sutton, Deputy Principal - Intervention D Walters, Deputy Principal - Teaching A Hopkins, College Manager

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

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
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Bankers	Lloyds Bank High Street Exeter Devon EX4 3NL
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**CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2018. 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 and had a roll of 864 in the school census at the end of the summer term 2018.

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.

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 and this cover is provided by RPA.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust's Board of Trustees comprises the Principal who is treated for all purposes as being an ex officio Governor, a minimum of 2 and a maximum 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 Trust's development.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 Trust 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 are Trustees workshops organised each term which include 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 Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

In 2017-2018 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 and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. This committee also considers Premises and Health & Safety matters on a regular basis. In 2016/17 the Audit Committee role was amalgamated into the Finance and Premises 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.
- Discipline Committee. This meets on an ad hoc basis whenever there is a permanent exclusion of a student to consider. This committee met twice during the academic year 2017-18.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the 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 Trust by the use of budgets and other data, and making major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Board of Trustees have devolved responsibility for day to day management of the Academy trust to the Principal and Senior Leadership Team (SLT). The SLT comprises the Principal, Vice Principal, 2 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 Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

The Principal is the Accounting Officer.

**CLYST VALE ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 Trust 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.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	91

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time (£'000)	£ -
Total pay bill (£'000)	£ 3,877
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Connected Organisations, including Related Party Relationships

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

The Academy Trust 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 and 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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 2018 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 extracurricular 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 Trust 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 Trust's capacity to manage change, and
- to conduct the Academy Trust'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 Trust is a community in which children, staff and parents should be part of a happy and caring environment.

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 2017-18 included:-

Improving Student Achievement

All subjects: Close gaps between disadvantaged students and others.

All subjects: Improve outcomes for more able students.

All subjects: Improve outcomes for boys.

All subjects: Improve outcomes for students categorised as SEN support.

Sixth Form: All subjects: Focus on AS progress.

Implementation of new system for tracking and monitoring.

Improving Impact of Teaching and Learning

Develop Quality First Teaching and differentiation for all.

Improve feedback to students, quality of marking and marking for literacy.

Improve accuracy of assessment, especially in Years 7 – 9.

Improving Leadership

Improve monitoring/evaluating and focus on outcomes.

SLT: more targeted analysis, monitoring and support.

Embedding a safeguarding culture.

Improving Personal Development, Behaviour and Welfare

Improve Behaviour for Learning, including implementation of revised policy

Improve approaches to address the challenging minority of students

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Improving Governance

Revisit vision and strategic direction
Continue exploration and engagement with MATs and local partnerships
Sustain Sixth Form provision
Support a reduced SLT
Explore additional funding streams

Public Benefit

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

The Academy Trust 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 eighth year of operation. The Academy Trust has admitted up to 156 students each year although capacity is higher and for 2017-18 the Planned Admission Number was restored to 182.

Examination results for 2018 represented improvement on 2017, both at A-level and GCSE, although not as strong as in recent record years of 2014 and 2015.

At GCSE, 51% of students achieved a good pass (Grade 5) in English and Maths;
The Attainment 8 Measure was 47.6, with weaker prior attainment than 2017 so that progress was improved;
The overall Progress 8 Measure was -0.03, in line with national figures and well above the floor target;
75% of all grades achieved were a standard pass, grade 4 or better;
All students left with at least one GCSE qualification.

A-Level results were in line with national outcomes, and much improved on 2017.
47% of grades achieved were at A* - B, and the overall pass rate was 100%;
The value-added score for A-levels was -0.49, which is a little below national outcomes;
The value-added score for applied Level 3 qualifications (BTec) was 0.2, 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 Trust prides itself on promoting citizenship and important human qualities of empathy and compassion. During the year the Academy Trust's charity fundraising activities raised £1,361.52. All funds have been transferred to the relevant charities. The Academy Trust also achieved UNICEF's Rights Respecting Schools Bronze Award, which will be a significant vehicle for further improving ethos and other developments.

The Academy Trust continues to be a member of the Jurassic Coast Teaching Schools' Alliance although this changed from September 2018 and is now a part of the Dartmoor TSA. In 2017-18, JCTSA continued to work on mutual staff development, with the primary aim of driving up standards. As noted above, Clyst Vale

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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, but Post-16 numbers declined sharply although now stabilised. Demographic trends suggest that significant student growth is likely into Year 7 from 2019. Numbers are as follows:

	2017/18 (Jan 2018 Census)	2016/17 (Jan 2017 Census)	2015/16 (JAN 2016 Census)
Student Numbers Year 7-11	782	758	754
Student Numbers 6 th Form	76	108	160
Number of Priority Learners	159	175	189

Headline Performance Measures were as follows. Statistically, due to changes in national accountability measures, year-on-year comparisons are only indicative.

	2017/18 Actual	2016/17 Actual	2015/16 Actual
Attainment 8	47.6	49.1	50.72
Progress 8	-0.03	-0.13	-0.14
% of Students with strong pass (G5+) in English & Maths	51	47	66
% Achieving EBacc	21	20	18

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 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 Trust's accounting policies.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

During the year ended 31 August 2018, the Academy Trust received total income of £4,658,678 (excluding capital funding) and incurred total expenditure of £4,584,196 (excluding depreciation and pension charges), giving an operating surplus for the year of £74,482.

At 31 August 2018 the net book value of fixed assets was £13,292,194 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The 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 22 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

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

The Trustees have determined that the appropriate level of free reserves should be a maximum of 5% of the General Annual Grant (GAG) which represents just over 50% of our current average monthly outgoings, with a minimum level of around 2% of GAG. The level of reserves held is monitored closely by the College Manager to ensure they are sufficient for the needs of the Academy and corrective action is taken where necessary. These are identified on the monthly budget monitors and 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 2018 were £187,382 which is 4.5% of GAG.

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

Investment Policy

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

Principal Risks And Uncertainties

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

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

Financial - the Academy Trust has considerable reliance on continued Government funding through the ESFA. In the last year 98% of the Academy Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Demographic and Strategic – The combination of increased freedoms with respect to new schools, free schools, and UTCs with the uncertain rate of demographic growth in the local area exposes the Academy Trust to financial and comparative reputational risk, should student numbers fall. To mitigate 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 Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. With regard to staff consultation, the Governing Body is committed to ensuring that staff of the Academy Trust are consulted at all times on fundamental issues impacting on their employment and conditions of service.

Fraud and mismanagement of funds - The Academy Trust has appointed a Responsible Officer/internal 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 Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by 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.

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 Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 22 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

PLANS FOR FUTURE PERIODS

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

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

The Academy Trust 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 Trust 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, was approved by order of the Board of Trustees, as company directors, on 17 December 2018 and signed on the board's behalf by:



G Stroud
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 5 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
K Bawn, Principal	5	5
G Stroud, Chair	3	5
S Sanger-Anderson	3	5
D Evans	5	5
M Prance, Staff Trustee	4	5
D Ruscoe	5	5
C Johnson, Vice Chair	5	5
M Davies	2	5
T White	2	5
B Brook	5	5
C Winlove	3	5
L Stephan	0	1
S Norris	3	4
A Odunlade, Staff Trustee	3	4
D Walter	4	4
L Waycott	4	4
P Colin	3	3

During the year S Norris, D Walter L Waycott, A Odunlade and P Coling were elected as Trustees and L Stephan resigned.

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.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K Bawn	3	3
S Sanger-Anderson	3	3
M Davies	0	3
B Brook	3	3
C Johnson	1	1

GOVERNANCE STATEMENT (continued)

G Stroud	1	2
L Waycott	1	2

The responsibility of the Audit Committee has been brought into the Finance and Premises Committee.

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust 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 ESFA and the Government.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- 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.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Clyst Vale Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

GOVERNANCE STATEMENT (continued)

- 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 Griffin Chartered Accountants as internal auditor.

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

- Payroll systems
- Income and cash receipts
- Purchases and cash payments
- Governance, regularity and risk management
- Fixed assets

On a semi-annual basis, the auditor reports to the Board of Trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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

The audit function of the Finance and Premises 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 Griffin Chartered Accountants which undertakes an agreed programme of checks on the internal systems and controls on their behalf. Findings are reported to and discussed with the Finance & Premises Committee, via the nominated Responsible Officer, who take appropriate action as necessary, as defined in the Terms of Reference. The Responsible Officer reports annually to the Board of Trustees' on the operation of the systems of control.

During the year ending 31 August 2018 the College worked closely with Griffin Chartered Accountants on financial matters and performed a range of checks on the Academy Trust's financial systems and controls. The Accounting Officer and College Manager were responsible for overcoming any weaknesses identified.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Trustees on 17 December 2018 and signed on their behalf, by:



G Stroud
Chair of Trustees



Dr Kevin Bawn
Accounting Officer

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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



**Dr K Bawn
Accounting Officer**

Date: 17 December 2018

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



G Stroud
Chair of Trustees

Date: 17 December 2018

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

OPINION

We have audited the financial statements of Clyst Vale Academy Trust (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

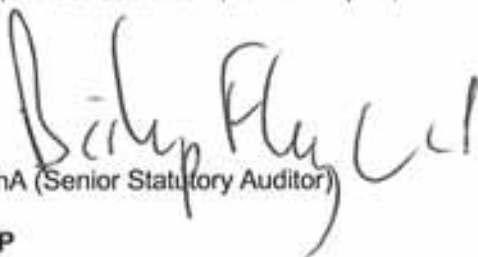
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

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

USE OF OUR REPORT

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 opinions we have formed.



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

Date:

20 December 2018

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

In accordance with the terms of our engagement letter dated 15 August 2013 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 the ESFA 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Clyst Vale Academy Trust and the ESFA, 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

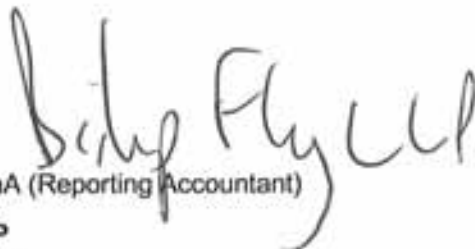
Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy Trust complied with the framework of authorities. We also reviewed the reports commissioned by the trustees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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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

Date:

20 December 2018

CLYST VALE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	3,963	22,419	1,396,187	1,422,569	47,874
Charitable activities	3	37,056	4,530,807	-	4,567,863	4,791,066
Other trading activities	4	64,190	-	-	64,190	72,504
Investments	5	243	-	-	243	397
TOTAL INCOME		105,452	4,553,226	1,396,187	6,054,865	4,911,841
EXPENDITURE ON:						
Raising funds		60,681	-	-	60,681	64,826
Charitable activities		31,164	4,699,622	290,460	5,021,246	5,512,273
TOTAL EXPENDITURE	6	91,845	4,699,622	290,460	5,081,927	5,577,099
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	13,607	(146,396)	1,105,727	972,938	(665,258)
		-	(40,729)	40,729	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		13,607	(187,125)	1,146,456	972,938	(665,258)
Actuarial gains on defined benefit pension schemes	22	-	696,000	-	696,000	704,000
NET MOVEMENT IN FUNDS		13,607	508,875	1,146,456	1,668,938	38,742
RECONCILIATION OF FUNDS:						
Total funds brought forward		112,900	(3,180,000)	12,307,157	9,240,057	9,201,315
TOTAL FUNDS CARRIED FORWARD		126,507	(2,671,125)	13,453,613	10,908,995	9,240,057

The notes on pages 25 to 46 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		13,292,194		12,306,980
CURRENT ASSETS					
Debtors	14	334,250		191,598	
Cash at bank and in hand		870,736		240,274	
		<u>1,204,986</u>		<u>431,872</u>	
CREDITORS: amounts falling due within one year	15	(856,185)		(318,795)	
NET CURRENT ASSETS			<u>348,801</u>		<u>113,077</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,640,995</u>		<u>12,420,057</u>
Defined benefit pension scheme liability	22		(2,732,000)		(3,180,000)
NET ASSETS			<u>10,908,995</u>		<u>9,240,057</u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	17	60,875		-	
Fixed asset funds	17	13,453,613		12,307,157	
Restricted funds excluding pension liability		<u>13,514,488</u>		<u>12,307,157</u>	
Pension reserve		<u>(2,732,000)</u>		<u>(3,180,000)</u>	
Total restricted funds			<u>10,782,488</u>		<u>9,127,157</u>
Unrestricted funds	17		<u>126,507</u>		<u>112,900</u>
TOTAL FUNDS			<u>10,908,995</u>		<u>9,240,057</u>

The financial statements on pages 22 to 46 were approved by the Trustees, and authorised for issue, on 17 December 2018 and are signed on their behalf, by:



G Stroud
Chair of Trustees

The notes on pages 25 to 46 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	<u>490,485</u>	<u>(161,252)</u>
Cash flows from investing activities:			
Interest received		243	397
Purchase of tangible fixed assets		(1,275,674)	(49,466)
Capital grants from DfE Group		<u>1,415,408</u>	<u>20,363</u>
Net cash provided by/(used in) investing activities		<u>139,977</u>	<u>(28,706)</u>
Change in cash and cash equivalents in the year		630,462	(189,958)
Cash and cash equivalents brought forward		<u>240,274</u>	<u>430,232</u>
Cash and cash equivalents carried forward	20	<u><u>870,736</u></u>	<u><u>240,274</u></u>

The notes on pages 25 to 46 form part of these financial statements.

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, 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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 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 2018

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

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

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

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

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

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

1.4 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 to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land	-	Over the length of the lease
Long term leasehold buildings	-	2% straight line
Furniture and fixtures	-	10% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.6 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.

1.7 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.10 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.

1. ACCOUNTING POLICIES (continued)

1.11 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to net income / expenditure 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.

1.12 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/donor and include grants from the Department for Education Group.

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 2018

1. ACCOUNTING POLICIES (continued)

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

The Academy 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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

1.14 OPERATING LEASES

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

1.15 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy 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, paid and any balances held at period end are disclosed in note 26.

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	3,963	3,198	-	7,161	27,511
Capital Grants	-	19,221	1,396,187	1,415,408	20,363
	<u>3,963</u>	<u>22,419</u>	<u>1,396,187</u>	<u>1,422,569</u>	<u>47,874</u>
Total 2017	<u>2,645</u>	<u>45,229</u>	<u>-</u>	<u>47,874</u>	

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	4,202,409	4,202,409	4,416,339
Other DfE/ESFA grants	-	212,769	212,769	220,183
	<u>-</u>	<u>4,415,178</u>	<u>4,415,178</u>	<u>4,636,522</u>
Other government grants				
High Needs	-	110,444	110,444	135,337
	<u>-</u>	<u>110,444</u>	<u>110,444</u>	<u>135,337</u>
Other funding				
Sales to students	11,110	-	11,110	9,103
Other	25,946	5,185	31,131	10,104
	<u>37,056</u>	<u>5,185</u>	<u>42,241</u>	<u>19,207</u>
	<u>37,056</u>	<u>4,530,807</u>	<u>4,567,863</u>	<u>4,791,066</u>
Total 2017	<u>19,207</u>	<u>4,771,859</u>	<u>4,791,066</u>	

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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	2,573	-	2,573	3,826
Trip Income	61,617	-	61,617	68,678
	<u>64,190</u>	<u>-</u>	<u>64,190</u>	<u>72,504</u>
Total 2017	<u>72,504</u>	<u>-</u>	<u>72,504</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	243	-	243	397
	<u>397</u>	<u>-</u>	<u>397</u>	
Total 2017	<u>397</u>	<u>-</u>	<u>397</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
Direct costs	-	-	60,681	60,681	64,826
Support costs	-	-	-	-	-
Education:					
Direct costs	3,339,970	215,454	557,132	4,112,556	4,222,121
Support costs	372,429	273,608	262,653	908,690	1,290,152
	<u>3,712,399</u>	<u>489,062</u>	<u>880,466</u>	<u>5,081,927</u>	<u>5,577,099</u>
Total 2017	<u>4,411,143</u>	<u>481,139</u>	<u>684,817</u>	<u>5,577,099</u>	

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7. DIRECT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	83,000	80,000
Educational supplies	110,716	87,428
Examination fees	81,283	68,246
Staff development	7,728	18,750
Other costs	63,607	61,672
Supply teachers	13,358	4,924
Wages and salaries	2,648,225	2,780,111
National insurance	264,053	266,712
Pension cost	579,334	610,098
Depreciation	261,252	244,180
	<u>4,112,556</u>	<u>4,222,121</u>
Total 2017	<u>4,222,121</u>	

8. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Recruitment and support	9,801	11,635
Maintenance of premises and equipment	133,748	108,358
Cleaning	9,081	7,636
Rent and rates	54,128	66,899
Energy costs	63,225	58,933
Insurance	17,400	18,700
Security and transport	9,138	11,045
Catering	35,791	37,769
Office overheads	45,518	57,669
Legal and professional	113,359	89,460
Bank interest and charges	189	216
Governance	15,675	19,699
Wages and salaries	281,175	598,470
National insurance	19,995	42,363
Pension cost	71,259	108,465
Depreciation	29,208	52,835
	<u>908,690</u>	<u>1,290,152</u>
Total 2017	<u>1,290,152</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the Academy Trust	290,460	297,015
Auditors' remuneration - audit	6,650	6,650
Auditors' remuneration - other services	3,667	2,750
Operating lease rentals	25,307	25,307
	<u>290,460</u>	<u>297,015</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,929,400	3,213,604
Social security costs	284,048	309,217
Operating costs of defined benefit pension schemes	650,593	718,563
	<u>3,864,041</u>	<u>4,241,384</u>
Agency staff costs	13,358	4,924
Staff restructuring costs	-	164,835
	<u>3,877,399</u>	<u>4,411,143</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	58	67
Administration and support	67	58
Management	5	7
	<u>130</u>	<u>132</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	49	52
Administration and support	37	37
Management	5	7
	<u>91</u>	<u>96</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for the role as Trustees) and the Senior Leadership 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 £403,872 (2017: £547,999).

10. STAFF COSTS (continued)

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 11 has not been included in the total benefits received by key management personnel above.

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, expenses totalling £361 (2017: £271) were reimbursed to 1 Trustee (2017: 1).

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, other than expenses, 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 (2017: £80,000 - £85,000), Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000); Melanie Prance: Remuneration £45,000 - £50,000 (2017: £40,000 - £45,000), Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000); Aude Alapini-Odunlade: Remuneration £30,000 - £35,000, Employer's pension contributions £5,000 - £10,000.

Other related party transactions involving the trustees are set out in note 26.

12. 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.

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NOTES TO THE FINANCIAL STATEMENTS
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13. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
COST				
At 1 September 2017	13,470,013	366,641	446,669	14,283,323
Additions	1,246,672	7,392	21,610	1,275,674
At 31 August 2018	14,716,685	374,033	468,279	15,558,997
DEPRECIATION				
At 1 September 2017	1,358,844	212,735	404,764	1,976,343
Charge for the year	239,542	30,828	20,090	290,460
At 31 August 2018	1,598,386	243,563	424,854	2,266,803
NET BOOK VALUE				
At 31 August 2018	13,118,299	130,470	43,425	13,292,194
At 31 August 2017	12,111,169	153,906	41,905	12,306,980

14. DEBTORS

	2018 £	2017 £
Trade debtors	15,879	85,909
VAT recoverable	157,158	34,271
Other debtors	12,422	28,781
Prepayments and accrued income	148,791	42,637
	334,250	191,598

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	47,586	73,731
Other taxation and social security	68,873	103,665
Other creditors	52,295	69,667
Accruals and deferred income	687,431	71,732
	856,185	318,795

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

	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	28,967	79,026
Resources deferred during the year	74,492	28,967
Amounts released from previous years	(28,967)	(79,026)
	<u>74,492</u>	<u>28,967</u>
Deferred income at 31 August 2018	<u>74,492</u>	<u>28,967</u>

At the balance sheet date the Academy had deferred income in relation to trips and reimbursement of rates expenditure for the 2018/19 year.

16. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at amortised cost	<u>1,021,382</u>	<u>389,477</u>
Financial liabilities measured at amortised cost	<u>(711,368)</u>	<u>(185,997)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors & accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors & accrued expenditure.

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General Funds	112,900	105,452	(91,845)	-	-	126,507
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	4,202,409	(4,100,805)	(40,729)	-	60,875
High Needs	-	110,444	(110,444)	-	-	-
Pupil Premium	-	206,935	(206,935)	-	-	-
Devolved Formula Capital	-	19,221	(19,221)	-	-	-
Other restricted funds	-	11,019	(11,019)	-	-	-
Donations	-	3,198	(3,198)	-	-	-
Pension reserve	(3,180,000)	-	(248,000)	-	696,000	(2,732,000)
	<u>(3,180,000)</u>	<u>4,553,226</u>	<u>(4,699,622)</u>	<u>(40,729)</u>	<u>696,000</u>	<u>(2,671,125)</u>
RESTRCITED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	9,749,140	-	(198,209)	-	-	9,550,931
Fixed assets purchased from GAG	99,444	-	(28,867)	40,729	-	111,306
DfE/ESFA capital grants	2,443,561	1,396,187	(61,717)	-	-	3,778,031
Donations	15,012	-	(1,667)	-	-	13,345
	<u>12,307,157</u>	<u>1,396,187</u>	<u>(290,460)</u>	<u>40,729</u>	<u>-</u>	<u>13,453,613</u>
Total restricted funds	<u>9,127,157</u>	<u>5,949,413</u>	<u>(4,990,082)</u>	<u>-</u>	<u>696,000</u>	<u>10,782,488</u>
Total of funds	<u>9,240,057</u>	<u>6,054,865</u>	<u>(5,081,927)</u>	<u>-</u>	<u>696,000</u>	<u>10,908,995</u>

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

Restricted Funds

General Annual Grant - Income from the ESFA which is to be use for the normal running costs of the Academy Trust, including education and support costs. During the year £21,508 (2017: £32,786) 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 ESFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Devolved Formula Capital - This represents funding from the ESFA to contribute to 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

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17. STATEMENT OF FUNDS (continued)

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 Trust. The Academy Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Fixed Asset Funds

Fixed assets transferred on conversion – 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.

DfE/ESFA 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.

Donations - This represents fixed assets which were purchased from other restricted funds. The balance at the year end represents the NBV of these assets.

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 2018.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds	170,065	94,753	(151,919)	-	-	112,899
RESTRICTED FUNDS						
General Annual Grant (GAG)	86,543	4,416,339	(4,470,096)	(32,786)	-	-
High Needs	-	135,337	(135,337)	-	-	-
Pupil Premium	-	203,392	(203,392)	-	-	-
Devolved Formula Capital	-	20,363	(20,363)	-	-	-
Other restricted funds	-	16,791	(16,791)	-	-	-
Donations	-	24,866	(8,186)	(16,680)	-	-
Pension reserve	(3,610,000)	-	(274,000)	-	704,000	(3,180,000)
	<u>(3,523,457)</u>	<u>4,817,088</u>	<u>(5,128,165)</u>	<u>(49,466)</u>	<u>704,000</u>	<u>(3,180,000)</u>

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

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	9,947,599	-	(198,459)	-	-	9,749,140
Fixed assets purchased from GAG	102,236	-	(35,578)	32,786	-	99,444
DfE/EFA capital grants	2,504,871	-	(61,310)	-	-	2,443,561
Donations	-	-	(1,668)	16,680	-	15,012
	<u>12,554,706</u>	<u>-</u>	<u>(297,015)</u>	<u>49,466</u>	<u>-</u>	<u>12,307,157</u>
Total restricted funds	<u>9,031,249</u>	<u>4,817,088</u>	<u>(5,425,180)</u>	<u>-</u>	<u>704,000</u>	<u>9,127,157</u>
Total of funds	<u>9,201,314</u>	<u>4,911,841</u>	<u>(5,577,099)</u>	<u>-</u>	<u>704,000</u>	<u>9,240,056</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	13,292,194	13,292,194
Current assets	126,507	548,701	529,778	1,204,986
Creditors due within one year	-	(487,826)	(368,359)	(856,185)
Pension scheme liability	-	(2,732,000)	-	(2,732,000)
	<u>126,507</u>	<u>(2,671,125)</u>	<u>13,453,613</u>	<u>10,908,995</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	12,306,980	12,306,980
Current assets	112,899	318,796	177	431,872
Creditors due within one year	-	(318,796)	-	(318,795)
Provisions for liabilities and charges	-	(3,180,000)	-	(3,180,000)
	<u>112,899</u>	<u>(3,180,000)</u>	<u>12,307,157</u>	<u>9,240,057</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	972,938	(665,258)
Adjustment for:		
Depreciation charges	290,460	297,015
Interest received	(243)	(397)
Increase in debtors	(142,652)	(99,378)
Increase in creditors	537,390	53,129
Capital grants from DfE and other capital income	(1,415,408)	(20,363)
Defined benefit pension scheme cost less contributions payable	165,000	194,000
Defined benefit pension scheme finance cost	83,000	80,000
Net cash provided by/(used in) operating activities	490,485	(161,252)

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	870,736	240,274
	870,736	240,274

21. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	161,419	-

22. 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 2016.

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

Teachers' Pension Scheme

Introduction

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

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FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £355,171 (2017: £382,198).

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 an unfunded 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 2018 was £196,000 (2017: £178,000), of which employer's contributions totalled £153,000 (2017: £138,000) and employees' contributions totalled £43,000 (2017: £40,000). The agreed contribution rates for future years are 15.4% 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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22. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
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:

	2018	2017
Retiring today		
Males	23.5	23.4
Females	25.6	25.5
Retiring in 20 years		
Males	25.8	25.7
Females	28	27.9

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	127,000	131,000
Discount rate -0.1%	(130,000)	(134,000)
Mortality assumption - 1 year increase	(184,000)	(187,000)
Mortality assumption - 1 year decrease	178,000	181,000
CPI rate +0.1%	(110,000)	(104,000)
CPI rate -0.1%	107,000	102,000

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities and gilts	1,780,000	1,535,000
Debt instruments	58,000	61,000
Property	249,000	215,000
Cash	43,000	58,000
Target return portfolio	393,000	366,000
Infrastructure and alternative assets	240,000	229,000
Total market value of assets	<u>2,763,000</u>	<u>2,464,000</u>

The actual return on scheme assets was £158,000 (2017: £261,000).

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22. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Current service cost	(315,000)	(332,000)
Interest income	64,000	46,000
Interest cost	(147,000)	(126,000)
Past service cost	(3,000)	-
	<u>(401,000)</u>	<u>(412,000)</u>
Total	<u>(401,000)</u>	<u>(412,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	5,644,000	5,702,000
Current service cost	315,000	332,000
Interest cost	147,000	126,000
Employee contributions	43,000	40,000
Actuarial gains	(604,000)	(544,000)
Benefits paid	(57,000)	(12,000)
Past service costs	3,000	-
	<u>5,491,000</u>	<u>5,644,000</u>
Closing defined benefit obligation	<u>5,491,000</u>	<u>5,644,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	2,464,000	2,092,000
Interest income	66,000	48,000
Actuarial gains	92,000	160,000
Employer contributions	153,000	138,000
Employee contributions	43,000	40,000
Benefits paid	(57,000)	(12,000)
Administration expenses	(2,000)	(2,000)
	<u>2,759,000</u>	<u>2,464,000</u>
Closing fair value of scheme assets	<u>2,759,000</u>	<u>2,464,000</u>

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23. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	14,966	25,307
Between 1 and 5 years	-	14,966
Total	<u>14,966</u>	<u>40,273</u>

24. MEMBERS' LIABILITY

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

25. 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.

26. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

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 prior to D Ruscoe's appointment as a Trustee in an open competition. 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.

27. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2018 the Academy trust received £8,606 and disbursed £6,874 from the fund. An amount of £5,281 is included in other creditors relating to undistributed funds that is repayable to ESFA.