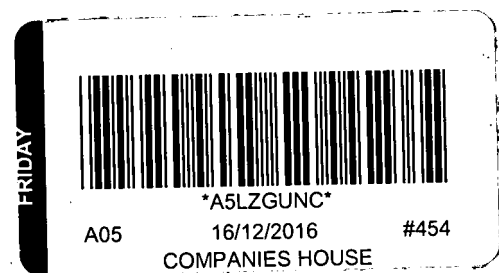


THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016



**THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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THE ATHELSTAN TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members W Allbrook
J Lester (resigned 2 April 2016)
C Littler (appointed 20 June 2016)
D Mitchell
K Sharp

Directors D Mitchell, Chair^{1,2}
W Webster, Vice Chair
A Brooks²
D Collen
K Darby¹
D Few
T Gilson²
G Martin²
F Orwin¹

¹ Pay & Appointments Committee

² Audit Committee

Company registered number 07699625

Company name The Athelstan Trust

Principal and Registered office Corn Gastons
Malmesbury
Wiltshire
SN16 0DF

Company secretary Ms J Cummings

Accounting officer Mr T Gilson

Senior Leadership Team Mr T Gilson, Headteacher/CEO
Mr J Barrett, Deputy Headteacher
Mrs J Nicholls, Business Manager/CFO

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

Bankers Lloyds Bank Plc
29 High Street
Chippenham
SN15 3HA

Solicitors Veale Wasbrough Vizards LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

**THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Directors present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2016. The annual report serves the purpose of both a Director's report, and a Directors' report under company law. The Academy was constituted on 1st March 2015 when The Dean Academy joined the Malmesbury School Academy Trust. Bradon Forest School then joined the Trust on 1st September 2015.

The Athelstan Trust operates 3 secondary academies. Malmesbury School, an academy for pupils aged 11 to 18 in Malmesbury and surrounding area. It has a pupil capacity of 1,340 and had a roll of 1,297 in the school census on 31 January 2016. The Dean Academy, in Lydney, Gloucestershire, a secondary school for pupils ages 11 to 16, with a pupil capacity of 1,095 and a role of 716 in the school census on 31 January 2016. Bradon Forest School, Purton, Wiltshire, a secondary school for pupils aged 11 to 16, with a pupil capacity of 1,260 and a role of 853 in the school census on 31 January 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Directors of The Athelstan Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Athelstan Trust.

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

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.

Directors' Indemnities

In accordance with normal commercial practice the Athelstan Trust has purchased insurance from Zurich Municipal to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £1,000,000 on any one claim.

Principal Activities of The Athelstan Trust

The Trust's objects are stated in the Articles of Association.

The Principal objects are:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.
- to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

**THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Method of recruitment and appointment or election of Directors

The Articles allow for:

- a. up to 8 Directors
- b. the Chief Executive Officer
- c. a minimum of 2 Parent Directors elected or appointed in the event that no Local Governing Bodies are established or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body
- d. Staff Directors, if any, appointed through such process as The Members may determine.

The Academy Trust may also have any Co-opted Director appointed according to the Articles.

Term of Office

The term of office for any Director shall be four years, save that this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

With regard to the appointment of Directors, the Board gives consideration to the skills mix of the Directors to ensure that the Board has the necessary skills to contribute to the development of the Academies.

Policies and Procedures adopted for the Induction and Training of Directors

The Athelstan Trust has a Director Recruitment, Induction and Training policy available from the Company Secretary.

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

There is a Director's Strategy Away Day every year and Local Governing Body Self Evaluation sessions are organised each year with training sessions to keep the Directors and Local Governors updated on relevant developments impacting on their roles and responsibilities.

Organisational Structure

The Board of Directors formally meet at least six times per academic year. Exceptional meetings can be called at any time if circumstances dictate. Quorum is one third of the membership, excluding vacancies. The Annual General Meeting is held every year and there is also an Audit Committee and a Pay & Appointments Committee.

Each school within the Trust retains a Local Governing Body which meets at least 6 times per year. Local Governing Bodies have delegated authority to ensure educational progression and compliance with The Athelstan Trust policies and procedures.

Local Governing Bodies are specifically focused on the:

- Standard and quality of education in the Academy
- Welfare of the students at the Academy
- Relationship between the Academy and the local community
- Bradon Forest School's Local Governing Body consists of 13 governors (during the year, there were 2 resignations and 4 new appointments). Governors' skills and experience include accountancy; teaching; Chartered engineer; retired HR and Financial manager

**THE ATHELSTAN TRUST
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**DIRECTOR'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

- Malmesbury School's Local Governing Body consists of 16 governors (during the year, there were 2 resignations and 3 new appointments). Governors' skills and experience include; electronics management; Chartered Health and Safety practitioner; CSR co-ordinator for a Wealth Management company; Recruitment and Management Consultant; retired solicitor; BA pilot and an IT manager.
- The Dean Academy's Local Governing Body consists of 19 governors (during the year, 1 term ended, there were 4 resignations and 11 new appointments). Governors' skills and experience include: Business Operations and Change Processes, Risk Management, Leadership, Coaching & Mentoring, Education, Management in Charity Sector, Safeguarding. The Dean Academy's Local Governing Body Chair is a National Leader of Governance who is training the Governing Body.

The Scheme of Delegation sets out the delegations and responsibilities of the Directors, Local Governors and the Schools' Senior Leadership.

The CEO is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

A pay panel comprising members of the Board of Directors and the Chair of Governors of Malmesbury School, meet each October to review the performance of the CEO/Headteacher. Headteachers pay at Bradon Forest is reviewed by the governors pay panel with the CEO. Other SLT pay at Bradon Forest School and at Malmesbury School is reviewed by the pay panel of governors and the Headteacher. The CEO with the Chair of the Governing Body reviews the pay of the leadership team at The Dean Academy. The achievement of performance targets will be considered, as will the overall performance and operation of the schools and the Trust. The pay panel have the delegated authority to approve any increase in pay up to a maximum of two points on the leadership scale, within the pay range (ISR) approved for each member of the leadership team. The recommendations of the pay panel will go to the full Board of Directors to be ratified.

Connected Organisations, including Related Party Relationships

Malmesbury School has use of the facilities managed by D.C. Leisure Management Ltd, for which a shared use agreement is in place. There is also a shared use agreement for The Bungalow with Sunny Days Nursery. The Academy delivers a course in land based studies in agreement with Aunt Addie's Farm.

The Academy has strong collaborative links with feeder primary schools but has no involvement in their governance or management. Malmesbury School provides support to help broaden the education of our future students, to prepare them for secondary education and to smooth the transition between schools.

Malmesbury School is part of a three school PFI agreement between Wiltshire Council and White Horse Education Partnership (WHEP). Management of the site and facilities is by G4S' UK who are appointed by WHEP. This contract influences the control and operations of the Academy site.

A Parent/Teacher Association supports the Academy indirectly.

The James Dyson Foundation is committed to encouraging young people into careers in Design Engineering and each year the Foundation awards three of our AS level Design Technology Resistant Materials students a bursary and also shares expertise with the students. In addition the James Dyson Foundation has agreed to fund the university fees each year for two Yr13 students applying to study Design, Engineering, Maths or a Science course which will eventually lead to a career in Science or Engineering.

The Dean Academy has a shared use agreement for the Sport Centre Facilities administered by the Freedom Leisure Ltd.

None of the relationships involve companies or family members of Directors of the Trust or Governors of the schools within the Trust.

**THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Athelstan Trust aims 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 Multi Academy Trust is a community in which children, staff and parents should be part of a happy and caring environment.

Public Benefit

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

The Trust has available facilities 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.

STRATEGIC REPORT

Achievements and Performance

On 1st September 2015 Bradon Forest School officially joined the Athelstan Trust so we have now operated for a full school year with our three schools.

Also as of 1st September 2015 John Barrett took over as Acting Headteacher at The Dean Academy to cover the ill-health absence of the Principal David Gaston. David left the School in November. The first term was dominated by an Ofsted Inspection at The Dean Academy at the start of October. The Inspection team quite rightly agreed with the Trust leadership that the school was 'Inadequate' and it was placed in Special Measures.

The 13th November was the official opening of the new library at The Dean Academy by Rt Hon Mark Harper MP; we took the opportunity to invite representatives of Gloucestershire Council, The Forest District Council and Lydney Town Council as well as other local dignitaries. In February 2016 Tom Beveridge was recruited and appointed Head of School with effect from September 2016.

The Ofsted follow up first Monitoring Visit in May 2016 described the significant progress made but again highlighted the challenges involved in moving the school forward. During the rest of year we also recruited a number of excellent new staff. Craig Burns, the Deputy Head, left us and we appointed a permanent Assistant Head, Emily Smith and Declan Moody (Assistant Head) is acting as Deputy. John Barrett will continue in an executive Head role for two days per week and Tim Gilson will be there one day per week.

Examination results - The Dean Academy

GCSE	2012	2013	2014	2015	2016
% 5 A* - C	74	82	50	59	51
% 5 A* - C including E & M	53	51	47	45	38
% A* / A	15	15	10	12	12
% English Bac	8	7	6	8	15
% 2+ Science A* - C	*	*	59	69	*

We are delighted that we have been able to secure a strong partnership with 'TeachFirst' and two excellent graduates have been appointed in English and MFL. We plan to build further on this partnership and it is valuable that one of the teachers is a former Teach First Graduate. We have further strengthened English by deploying an outstanding English teacher from Malmesbury to work 4 days per week at The Dean Academy and to lead on KS3. A member of staff from Malmesbury maths faculty will spend one day per fortnight coaching and sharing best practice. We have also appointed high quality staff in humanities, computing & science as well as pastoral support and TAs.

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

April 2016 saw Ofsted visiting Bradon Forest School, the resulting report is glowing and a ringing endorsement of the excellent work by all the staff at Bradon Forest and Andrew Morrison's exemplary leadership. The school was rated as 'Good' in all categories. This academic year has also saw the introduction of a new school uniform at Bradon Forest and the building of the new sportshall.

Examination results - Bradon Forest School

GCSE	2012	2013	2014	2015	2016
% 5A* - C	71	65	75	71	73
% 5A* - C including English & Maths	53	59	60	63	70
% A* - A	18	18	22	22	21
% English Bac	25	25	23	31	23

Malmesbury has continued to build on its national reputation for mathematics teaching with the first cohort of Core maths students going through.

The school year culminated with the examinations results with both Malmesbury and Bradon Forest producing 'best-ever' GCSE results. Unfortunately there was a further decline in the headline figures at The Dean Academy, although there were some encouraging specific results, notably an improvement in English. Malmesbury School had another excellent set of A-Level results, once again placing it in the top flight of comprehensive schools nationally.

Examination Results - Malmesbury School

A - Level	2010	2011	2012	2013	2014	2015	2016
% 5A* - C	80	84	75	85	79	83	86
% 5A* - C including English & Maths	63	75	64	76	71	74	77
% A*/A	29	31	29	26	30	31	31
% English Bac	26	24	30	33	46	45	45

A & AS Level	2009	2010	2011	2012	2013	2014	2015	2016
A*/A%	*	33	39	36	26	37	28	31
A-B%	49	56	59	66	52	65	61	64
A2								
A-C%	75	84	84	86.5	84	90	84	88
A2								
A-B%	42	58	49	41	47	45	51	48
AS								
A-C%	67	82	69	69	66	68	73	71
AS								

September starts with new staff and new students; both Bradon Forest and Malmesbury show a rising role on last year and The Dean Academy have a larger than forecast Year 7.

Avon TSA

The Avon Teaching School Alliance (TSA) has become well established under the leadership of Alison Simpson. The Steering Group for the Avon TSA has the following strategic partners: Sheldon School and Hardenhuish School are secondary partners, Trinity CE Primary, Acton Turville and Malmesbury Primary are primary partners, University of Bristol and Bath Spa University are university partners.

Other schools within the Alliance are The Dean Academy, Bradon Forest School and we have recently been

**THE ATHELSTAN TRUST
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**DIRECTOR'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

joined by Sherston Primary. We work collaboratively with the Mead TSA in Trowbridge.

Over the past year a significant number of CPD opportunities have been developed and offered across the Athelstan Trust, the TSA, and to schools further afield in the region and nationally.

Over 200 teachers and technicians have benefitted from these courses and all courses have been attended by staff from across the Athelstan Trust. Courses have included -

- Improving Teacher programme
- Outstanding Teacher programme
- Outstanding Facilitators programme
- Inspiring Leaders
- Physics Teacher Subject Specialism Training (TSST)
- Maths TSST
- Chemistry for Non Specialists
- Technicians training and network meetings
- CLEAPSS courses
- Triple Science support
- Subject Leader meetings
- 'Developing Expertise in' science courses
- Stonewall Train the Trainer CPD
- School to School support

The Trust has finished the year with a reduction in our 'In-Year deficit' and a roll-over to take us forward in 2017/18 despite the continuing reduction in our income.

Key Performance Indicators

The main financial performance indicator is the level of total reserves (general unrestricted and GAG) held at the Balance Sheet date. In 2015/16 £774,120 was carried forward.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2015/16 this was 91% (2015: 87%).

Going Concern

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

FINANCIAL REVIEW

Financial Review

The bulk of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2016, total expenditure of £17,436,364 was covered by recurrent grant funding from the DfE and local authorities, together with other incoming resources of £27,790,445. The excess of income over expenditure for the year (excluding restricted fixed asset funds and assets received from Bradon Forest School) was £687,709.

THE ATHELSTAN TRUST
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DIRECTOR'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Malmesbury School is part of a three school PFI agreement. As a result the premises, grounds and most of the fixed assets belong to White Horse Education Partnership and G4S. For the few fixed assets owned by the school the Restricted Fixed Asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's financial policies.

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 Activities with details in Note 26 to the financial statements.

Reserves Policy

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

The Directors have determined that the appropriate level of free reserves should be approximately £50,000. The reason for this is to provide a cushion against a fall in student numbers, and to allow for any development works such as IT which falls outside of the PFI agreement. Total reserves of the academy amount to £17,328,626, although £16,554,506 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £774,120 (representing £732,302 unrestricted funds and £41,818 unspent GAG) is the balance that the Directors monitor in accordance with the Board's reserves policy.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows reserves of over £100,000 have historically been transferred to a Treasury Deposit account. Directors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses may be placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the CEO and CFO within strict guidelines approved by the Board of Directors. Current interest rates are such that monies are earning as much in the current account by keeping the balance high as they would moving elements onto deposit.

Principal Risks And Uncertainties

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

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

Financial - the MAT has considerable reliance on continued Government funding through the EFA. In the last year 96% of incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

Reputational - the continuing success of the MAT is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Directors ensure that student success and achievement are closely monitored and reviewed. This is an area of particular risk at The Dean Academy; the Directors are ensuring that resources are being targeted to improve results and meet Ofsted requirements.

**THE ATHELSTAN TRUST
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**DIRECTOR'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Safeguarding and child protection - the Directors 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 MAT is reliant upon the quality of its staff and so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Trust buys into the Wiltshire Financial Assurance offer to provide external assurance and routine checks at Bradon Forest and Malmesbury Schools. A governor carries out assurance checks at The Dean Academy. The CFO also carries out spot checks on financial systems and records. Bishop Fleming as the Trust auditors are involved in assurance checks at all 3 schools. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The MAT 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.

As a PFI school, Malmesbury School, with a multi party contract; risk with regard to assets is minimised, financial risk arises from a situation arising where PFI payments could not be met. The Directors are aware of these costs and they are accounted for fully in the budget planning. The Asset registers at The Dean Academy and Bradon Forest are complete and the values kept under review.

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

PLANS FOR FUTURE PERIODS

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

The schools within the Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community. The establishment of the Athelstan Trust is ongoing and the development of the Avon Teaching Schools Alliance based at Malmesbury School is a strategic priority.

FUNDS HELD AS CUSTODIAN DIRECTOR ON BEHALF OF OTHERS

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

The financial statements include the results of the Friends of Malmesbury School Enrichment Fund, a registered charity (no. 296765) which is under the control of the Directors of the Academy Trust. The objects of the Fund are to provide benefits of any kind to the Academy not normally provided by public funds.

THE ATHELSTAN TRUST
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DIRECTOR'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

AUDITORS

In so far as the Directors are aware:

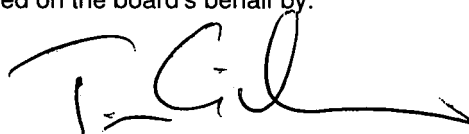
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as company directors, on 8 December 2016 and signed on the board's behalf by:



Mr D Mitchell
Chair of Directors



Mr T Gilson
Accounting officer

THE ATHELSTAN TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Directors, we acknowledge we have overall responsibility for ensuring that The Athelstan 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 Directors has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Athelstan Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the Statement of Director's responsibilities. The Board of Directors has formally met 8 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
D Mitchell	7	8
W Webster	7	8
A Brooks	8	8
D Collen	6	8
K Darby	6	8
D Few	6	8
T Gilson	8	8
G Martin	8	8
F Orwin	5	8

From 1 March 2015 the Audit Committee was established. This is a sub-committee of the main Board of Directors. Its purpose is to oversee the audit process both at the year end and throughout the year.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr A Brooks	1	1
Mr T Gilson	1	1
Mr G Martin	1	1
Mr D Mitchell	1	1

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors 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 investigating economies of scale across the Trust particularly in relation to external contracts. Utility contracts at Bradon Forest and The Dean Academy are through Zenergi and prices are kept under review in this competitive market. The telephone system at The Dean Academy has been updated and is now maintained by the same supplier as the system at Malmesbury School. The photocopying contract at The Dean Academy has also been reviewed and is now also under the same supplier as Malmesbury School. The contracts at Bradon Forest will be reviewed as they come up. There is now a central contract for payroll and for HR.

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

The Board of Directors 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 Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

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 Directors;
- regular reviews by the Directors of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Financial Controls Assurance (FCA) reporting service is purchased from Wiltshire Council. The FCA's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the FCA reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities. No matters of significance were reported during the year.

REVIEW OF EFFECTIVENESS

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

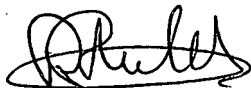
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

**THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

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



Mr D Mitchell
Chair of Directors



Mr T Gilson
Accounting Officer

**THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Athelstan Trust I have considered my responsibility to notify the academy trust Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Mr T Gilson
Accounting Officer

Date: 8 December 2016

**THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

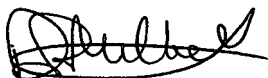
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

The Directors 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 Directors and signed on its behalf by:



Mr D Mitchell
Chair of Directors

Date: 8 December 2016

**THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ATHELSTAN TRUST**

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

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ATHELSTAN TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Bishop Fleming LLP

David Butler FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date: *14 December 2016*

**THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
ATHELSTAN TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Athelstan Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Athelstan Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Athelstan Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Athelstan Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE ATHELSTAN TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Athelstan Trust's funding agreement with the Secretary of State for Education dated 17 August 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

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

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

**THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

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



David Butler FCA DChA (Reporting Accountant)

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

Date: 14 December 2016

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations & capital grants:						
Transfer from Local Authority on conversion	2	209,141	(632,000)	10,699,683	10,276,824	8,227,338
Other donations and capital grants	2	24,178	1,411,111	-	1,435,289	779,686
Charitable activities	6	681,357	15,312,239	-	15,993,596	9,142,578
Other trading activities	3	82,440	-	-	82,440	78,954
Investments	5	2,296	-	-	2,296	1,239
TOTAL INCOME		999,412	16,091,350	10,699,683	27,790,445	18,229,795
EXPENDITURE ON:						
Raising funds		12,816	-	-	12,816	52,926
Charitable activities		816,829	16,218,224	401,311	17,436,364	9,658,059
TOTAL EXPENDITURE	7	829,645	16,218,224	401,311	17,449,180	9,710,985
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		169,767	(126,874)	10,298,372	10,341,265	8,518,810
Transfers between Funds	18	-	(687,448)	687,448	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		169,767	(814,322)	10,985,820	10,341,265	8,518,810
Actuarial losses on defined benefit pension schemes	26	-	(1,819,000)	-	(1,819,000)	(25,000)
NET MOVEMENT IN FUNDS		169,767	(2,633,322)	10,985,820	8,522,265	8,493,810
RECONCILIATION OF FUNDS:						
Total funds brought forward		562,535	(1,821,190)	10,065,016	8,806,361	312,551
TOTAL FUNDS CARRIED FORWARD		732,302	(4,454,512)	21,050,836	17,328,626	8,806,361

The notes on pages 23 to 49 form part of these financial statements.

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07699625

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		21,050,836		10,065,016
CURRENT ASSETS					
Debtors	15	792,974		208,242	
Cash at bank and in hand		1,722,757		1,611,153	
		<u>2,515,731</u>		<u>1,819,395</u>	
CREDITORS: amounts falling due within one year	16	(1,107,941)		(577,050)	
NET CURRENT ASSETS			<u>1,407,790</u>		<u>1,242,345</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,458,626</u>		<u>11,307,361</u>
Defined benefit pension scheme liability	26	(5,130,000)		(2,501,000)	
TOTAL NET ASSETS			<u><u>17,328,626</u></u>		<u><u>8,806,361</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted income funds:					
General funds	18	675,488		679,810	
Fixed asset funds	18	21,050,836		10,065,016	
Restricted income funds excluding pension liability		21,726,324		10,744,826	
Pension reserve		<u>(5,130,000)</u>		<u>(2,501,000)</u>	
Total restricted income funds			<u>16,596,324</u>		<u>8,243,826</u>
Unrestricted income funds	18		<u>732,302</u>		<u>562,535</u>
TOTAL FUNDS			<u><u>17,328,626</u></u>		<u><u>8,806,361</u></u>

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



Mr D Mitchell
Chair of Directors

The notes on pages 23 to 49 form part of these financial statements.

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	<u>(453,872)</u>	<u>391,020</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(727,103)	(86,195)
Capital grants from DfE/EFA		<u>1,290,343</u>	<u>538,485</u>
Net cash provided by investing activities		<u>563,240</u>	<u>452,290</u>
Cash flows from financing activities:			
Interest received		<u>2,236</u>	<u>1,239</u>
Net cash provided by financing activities		<u>2,236</u>	<u>1,239</u>
Change in cash and cash equivalents in the year		111,604	844,549
Cash and cash equivalents brought forward		<u>1,611,153</u>	<u>766,604</u>
Cash and cash equivalents carried forward	22	<u><u>1,722,757</u></u>	<u><u>1,611,153</u></u>

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The Athelstan Trust constitutes a public benefit entity as defined by FRS 102.

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

First time adoption of FRS 102

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 31.

1.2 GOING CONCERN

The Directors 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 Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

1. ACCOUNTING POLICIES (continued)

1.3 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 Directors.

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

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

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

1.4 INCOME

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

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

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

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

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

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

1.5 EXPENDITURE

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

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

Freehold property	-	2% straight line
Fixtures, fittings and equipment	-	15% straight line
Motor vehicles	-	10% straight line
Fixtures and fittings	-	15%-20% straight line
Computer equipment	-	20% straight line

Freehold land is not depreciated.

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.

1.7 OPERATING LEASES

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

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

1.8 TAXATION

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

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

1. ACCOUNTING POLICIES (continued)

1.9 DEBTORS

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

1.10 CASH AT BANK AND IN HAND

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

1.11 LIABILITIES AND PROVISIONS

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

1.12 FINANCIAL INSTRUMENTS

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

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

1. ACCOUNTING POLICIES (continued)

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

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

1.14 PFI AGREEMENT

The Academy occupies buildings at Malmesbury School which are subject to a PFI agreement between the White Horse Education Partnership and Wiltshire Council. The Academy pays revenue contributions in respect of facilities management. The contract will expire in 2033. The Academy does not have any rights or obligations of ownership in respect of these assets, and therefore they are not included on the Academy's Balance sheet. The revenue payment for service is included in the Statement of Financial Activities.

1.15 AGENCY ARRANGEMENT

The Academy acts as an agent in distributing 16-19 bursary funds from the EFA and funds from the Dyson Foundation for scholarship pupils. Payments received from the EFA and the Dyson Foundation are excluded from the Statement of Financial Activities, along with any subsequent disbursements to students, 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 24.

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

1. ACCOUNTING POLICIES (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of 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 requires an asset and liability to be recognised in the Balance Sheet.

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

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Transfer from Local Authority on conversion	209,141	(632,000)	10,699,683	10,276,824	8,227,338
	<u>209,141</u>	<u>(632,000)</u>	<u>10,699,683</u>	<u>10,276,824</u>	<u>8,227,338</u>
Donations	24,178	20,680	-	44,858	85,928
Capital Grants	-	1,290,343	-	1,290,343	538,485
Educational visits	-	100,088	-	100,088	155,273
	<u>24,178</u>	<u>1,411,111</u>	<u>-</u>	<u>1,435,289</u>	<u>779,686</u>
	<u>233,319</u>	<u>779,111</u>	<u>10,699,683</u>	<u>11,712,113</u>	<u>9,007,024</u>

In 2015, of the total income from donations and capital grants, £203,698 was unrestricted funds and £8,803,326 was restricted.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	2,360	-	2,360	438
Consultancy	63,674	-	63,674	25,973
Fees received	16,406	-	16,406	24,360
Other	-	-	-	28,183
	<u>82,440</u>	<u>-</u>	<u>82,440</u>	<u>78,954</u>

In 2015 the total income from other trading activities was unrestricted.

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FOR THE YEAR ENDED 31 AUGUST 2016

4. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings expenses	-	-	-	438
Fundraising grants expenses	6,847	-	6,847	17,752
Other expenses	-	-	-	9,191
Consultancy expenditure	5,969	-	5,969	25,545
Total	<u>12,816</u>	<u>-</u>	<u>12,816</u>	<u>52,926</u>

In 2015 the total activities for generating funds was unrestricted.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	<u>2,296</u>	<u>-</u>	<u>2,296</u>	<u>1,239</u>

In 2015 the total investment income was unrestricted.

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FOR THE YEAR ENDED 31 AUGUST 2016

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	13,821,307	13,821,307	7,929,019
Other DfE/EFA grants	-	658,499	658,499	460,008
	-	14,479,806	14,479,806	8,389,027
Other Government grants				
High Needs	-	309,492	309,492	310,642
Other Government grants non capital	-	510,478	510,478	321,754
	-	819,970	819,970	632,396
Other funding				
Internal catering income	132,947	-	132,947	53,404
Income for hosting trainee teachers	6,534	-	6,534	9,375
Sales to students	73,409	-	73,409	32,806
Contributions to educational visits and transport	422,269	-	422,269	10,741
Other	46,198	12,463	58,661	14,829
	681,357	12,463	693,820	121,155
	681,357	15,312,239	15,993,596	9,142,578

In 2015, of the total income from charitable activities, £112,004 was unrestricted and £9,030,574 was restricted.

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7. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	As restated Total 2015 £
Expenditure on fundraising trading	5,969	-	6,847	12,816	-
Education:					
Direct costs	11,098,134	344,276	1,515,088	12,957,498	6,951,943
Support costs	1,853,129	1,812,559	813,178	4,478,866	2,706,116
	<u>12,957,232</u>	<u>2,156,835</u>	<u>2,335,113</u>	<u>17,449,180</u>	<u>9,658,059</u>

In 2015, the total expenditure on raising funds of £52,926 was from unrestricted fund, of the total expenditure on charitable activities, £117,673 was from unrestricted funds £9,320,763 was from restricted funds and £155,107 was in relation to the restricted fixed asset fund.

8. DIRECT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	75,000	49,480
Educational supplies	541,062	295,617
Examination fees	256,194	203,146
Staff development	63,342	43,227
Educational visits and transport	579,490	146,001
Supply teachers	255,728	88,869
Wages and salaries	8,674,199	4,795,436
National insurance	687,456	511,945
Pension cost	1,480,751	722,709
Depreciation	344,276	77,513
	<u>12,957,498</u>	<u>6,933,943</u>

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

9. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	43,000	38,520
PFI Costs	715,076	717,436
Recruitment and support	49,977	51,897
Maintenance of premises and equipment	687,279	229,021
Cleaning	41,728	6,162
Rent and rates	104,499	58,431
Energy costs	167,263	39,135
Insurance	41,221	16,033
Security and transport	63,546	42,232
Catering	129,875	51,084
Technology costs	227,863	178,881
Office overheads	135,169	91,193
Legal and professional	95,965	160,269
Bank interest and charges	156	132
Loss on disposal of fixed assets	39,655	-
Governance	26,430	64,516
Wages and salaries	1,361,190	689,658
National insurance	134,873	43,928
Pension cost	357,066	167,994
Depreciation	57,035	77,594
	<u>4,478,866</u>	<u>2,724,116</u>

10. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	401,311	155,107
Auditors' remuneration - audit	13,495	11,295
Auditors' remuneration - other services	3,985	4,255
Internal assurance costs	-	1,216
Operating lease rentals	28,526	21,573
PFI Costs	<u>715,076</u>	<u>717,834</u>

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

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	9,979,354	5,486,845
Social security costs	822,329	555,873
Operating costs of defined benefit pension schemes	1,837,817	890,703
	<u>12,639,500</u>	<u>6,933,421</u>
Supply teacher costs	255,728	88,869
Staff restructuring costs	62,004	25,643
	<u>12,957,232</u>	<u>7,047,933</u>

Staff restructuring costs comprise:

	2016 £	2015 £
Redundancy payments	12,005	8,443
Severance payments	49,999	17,200
	<u>62,004</u>	<u>25,643</u>

The average number of persons (including management team) employed by the Academy during the year was as follows:

	2016 No.	2015 No.
Teachers	207	123
Teaching support	81	35
Administration	103	54
Management	18	12
	<u>409</u>	<u>224</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	174	113
Teaching support	49	22
Administration	60	32
Management	18	12
	<u>301</u>	<u>179</u>

THE ATHELSTAN TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. STAFF COSTS (continued)

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	5	4
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	3
In the band £90,001 - £100,000	1	1
In the band £100,001 - £200,000	1	1

The key management personnel of the Academy Trust comprise Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £337,080 (2015: £330,909).

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

12. DIRECTORS' REMUNERATION AND EXPENSES

During the year, no Director received any benefits in kind (2015: £NIL).

During the year ended 31 August 2016, expenses totalling £895 (2015: £23) were reimbursed to 6 Directors (2015: 1).

Headteachers and Staff Directors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the Academy in respect of their role as Directors. The value of Directors' remuneration including pension contributions in the period was as follows: T Gilson; Remuneration £110,000 - £115,000 (2015: £110,000 - £115,000), Employer's pension contributions £10,000 - £15,000 (2015: £10,000 - £15,000).

13. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

THE ATHELSTAN TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

14. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Long term leasehold property £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
COST						
At 1 September 2015	9,988,250	-	341,465	41,929	-	10,371,644
Additions	-	-	26,817	-	700,286	727,103
Transfer on conversion	-	10,689,000	10,683	-	-	10,699,683
Disposals	-	-	(125,644)	-	-	(125,644)
At 31 August 2016	<u>9,988,250</u>	<u>10,689,000</u>	<u>253,321</u>	<u>41,929</u>	<u>700,286</u>	<u>21,672,786</u>
DEPRECIATION						
At 1 September 2015	101,753	-	190,078	14,797	-	306,628
Charge for the year	367,285	-	27,916	6,110	-	401,311
On disposals	-	-	(85,989)	-	-	(85,989)
At 31 August 2016	<u>469,038</u>	<u>-</u>	<u>132,005</u>	<u>20,907</u>	<u>-</u>	<u>621,950</u>
NET BOOK VALUE						
At 31 August 2016	<u>9,519,212</u>	<u>10,689,000</u>	<u>121,316</u>	<u>21,022</u>	<u>700,286</u>	<u>21,050,836</u>
At 31 August 2015	<u>9,886,497</u>	<u>-</u>	<u>151,387</u>	<u>27,132</u>	<u>-</u>	<u>10,065,016</u>

15. DEBTORS

	2016 £	2015 £
Trade debtors	26,423	36,067
VAT repayable	76,803	15,226
Prepayments and accrued income	689,748	156,949
	<u>792,974</u>	<u>208,242</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	3,680	4,843
Taxation and social security	231,586	153,473
Other creditors	225,596	169,382
Accruals and deferred income	647,079	249,352
	<u>1,107,941</u>	<u>577,050</u>

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

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September	69,093	59,262
Resources deferred during the year	170,319	69,093
Amounts released from previous years	(69,093)	(59,262)
	<u>170,319</u>	<u>69,093</u>
Deferred income at 31 August	<u>170,319</u>	<u>69,093</u>

At the Balance Sheet date the Academy was holding funds received in advance from the EFA and educational visits to be spent in the 2016/17 academic year.

17. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	1,722,757	1,611,153
Financial assets measured at amortised cost	598,713	119,662
	<u>2,321,470</u>	<u>1,730,815</u>

	2016 £	2015 £
Financial liabilities measured at amortised cost	436,225	192,641

Financial assets measured at fair value through income and expenditure comprise of cash at bank and in hand.

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

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.

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

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	562,535	999,412	(829,645)	-	-	732,302
RESTRICTED FUNDS						
General Annual Grant	101,577	13,821,307	(13,893,904)	12,838	-	41,818
DfE/EFA Capital grants	-	26,877	-	-	-	26,877
Other DfE/EFA grants	50,265	231,424	(281,689)	-	-	-
Dean Academy CIF/DFC Grant	486,700	16,724	(479,263)	-	-	24,161
Bradon DFC, s106 and CIF	-	1,246,742	-	(700,286)	-	546,456
High Needs	-	292,000	(292,000)	-	-	-
Pupil premium	-	418,333	(395,917)	-	-	22,416
Year 7 catch up	-	19,000	(19,000)	-	-	-
Other LA funding	21,000	472,192	(493,192)	-	-	-
Other restricted funds	20,268	127,241	(147,509)	-	-	-
YPSS	-	45,520	(31,760)	-	-	13,760
WOMAD	-	5,990	(5,990)	-	-	-
Pension reserve	(2,501,000)	(632,000)	(178,000)	-	(1,819,000)	(5,130,000)
	<u>(1,821,190)</u>	<u>16,091,350</u>	<u>(16,218,224)</u>	<u>(687,448)</u>	<u>(1,819,000)</u>	<u>(4,454,512)</u>

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

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion & business combination	9,560,864	10,699,683	(368,315)	-	-	19,892,232
Fixed assets purchased from GAG and restricted funds	84,271	-	(16,653)	(12,838)	-	54,780
DfE/EFA Capital grants	33,621	-	(6,153)	-	-	27,468
Transfer from Wiltshire Council	-	-	-	700,286	-	700,286
Transfer from Wiltshire Council	379,760	-	(8,080)	-	-	371,680
Donations	6,500	-	(2,110)	-	-	4,390
	<u>10,065,016</u>	<u>10,699,683</u>	<u>(401,311)</u>	<u>687,448</u>	<u>-</u>	<u>21,050,836</u>
Total restricted funds	<u>8,243,826</u>	<u>26,791,033</u>	<u>(16,619,535)</u>	<u>-</u>	<u>(1,819,000)</u>	<u>16,596,324</u>
Total of funds	<u>8,806,361</u>	<u>27,790,445</u>	<u>(17,449,180)</u>	<u>-</u>	<u>(1,819,000)</u>	<u>17,328,626</u>

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

RESTRICTED FUNDS

The General Annual Grant represents funding received from the EFA during the period in order to fund the continuing activities of the school. During the year £12,838 (2015: £44,620) was transferred from (2015: to) the restricted fixed asset fund to represent fixed assets purchased from GAG.

DfE/EFA capital grants is the devolved formula capital grant, received for capital works and maintenance of the school premises.

Other DfE grants relate to payments received towards costs of compliance with EFA requirements. This was spent on professional fees.

The Dean Academy and Bradon Forest funds are those grants provided specifically for spending on those schools.

Year 7 catch up grant relates to income received for those pupils who did not achieve at least level 4 in reading and/ or maths at the end of key stage 2 to enable the school to provide additional support to these children.

High Needs funding comprises named pupil allowance and a grant towards the training of the school special educational needs co-ordinator. Named pupil allowance is funding received to fund further support for pupils with additional needs.

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

Pupil premium represents funding received from the EFA during the period for children that qualify for free school meals and children from service families to enable the school to address the current underlying inequalities in educational achievement in these groups.

The other local authority income includes income from each relevant local authority in respect of a TS Core Grant, a NCTL grant and a section 106 grant to be spent on capital refurbishment.

Other restricted funds includes voluntary contributions towards educational visits and other small restricted donations made to the trust.

The YPSS provided funding for the care of excluded pupils who require alternative education provision.

WOMAD income is amounts raised and passed on to the WOMAD festival and other small grants and denotations with a specific use.

The defined benefit pension scheme fund represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

RESTRICTED FIXED ASSET

Fixed assets on conversion and the transfer from Wiltshire Council represent the value of assets transferred to the new Academy Trust from the previous school, as well as the donation of the school buildings and other equipment of the Dean Academy and Bradon Forest School.

Fixed assets purchased from GAG represents amounts spent on fixed assets from the GAG funding received from the EFA.

DfE/EFA capital grants relates to devolved formula capital funding received throughout the year and to be spent on fixed assets.

Fixed assets purchased from donations relate to donations made for the specific purpose of purchasing fixed assets.

TRANSFERS BETWEEN FUNDS

The transfer from GAG, restricted and unrestricted funds to the restricted fixed asset fund is GAG money and other amounts spent on purchasing fixed assets.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
Malmesbury School	508,679	788,100
The Dean Academy	328,169	454,245
Bradon Forest School	570,942	-
Total before fixed asset fund and pension reserve	1,407,790	1,242,345
Restricted fixed asset fund	21,050,836	10,065,016
Pension reserve	(5,130,000)	(2,501,000)
Total	17,328,626	8,806,361

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2016 £	Total 2015 £
Malmesbury School	4,672,029	518,111	484,058	1,082,296	6,756,494	6,801,452
The Dean Academy	2,909,649	699,609	294,973	1,201,865	5,106,096	2,567,519
Bradon Forest School	3,285,624	584,547	673,823	542,718	5,086,712	-
Central services	150,350	29,862	-	141,666	321,878	136,907
	11,017,652	1,832,129	1,452,854	2,968,545	17,271,180	9,505,878

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

19. CENTRAL SERVICES

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

- Financial services
- School improvement services
- Admin and support services
- Governing and professional services
- Leadership and teaching services
- Data assessment

The Trust charges for these services on the following basis:

The Trust recharges these costs to each academy at a set percentage of each Academy's General Annual Grant funding each month.

The Trust is continuing to develop this method of cost allocation to ensure transparency and greater visibility. It is intended to develop this further over the next accounting period.

The actual amounts charged during the year were as follows:

	2016 £	2015 £
Malmesbury School	49,000	24,400
The Dean Academy	188,969	99,006
Bradon Forest School	79,619	-
	<u>317,588</u>	<u>123,406</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	21,050,836	21,050,836	10,065,016
Current assets	829,530	1,686,201	-	2,515,731	1,819,394
Creditors due within one year	(97,228)	(1,010,713)	-	(1,107,941)	(577,049)
Pension scheme liability	-	(5,130,000)	-	(5,130,000)	(2,501,000)
	<u>732,302</u>	<u>(4,454,512)</u>	<u>21,050,836</u>	<u>17,328,626</u>	<u>8,806,361</u>

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

	2016 £	2015 £
Net income for the year (as per Statement of Financial Activities)	10,341,265	8,518,810
Adjustment for:		
Depreciation charges	401,311	155,107
Interest received	(2,236)	(1,239)
Loss on the sale of fixed assets	39,655	-
Capital grants received	(1,290,343)	(538,485)
Increase in debtors	(584,732)	(74,209)
Increase in creditors	530,891	239,514
Defined benefit pension scheme cost less contributions payable	60,000	36,000
Defined benefit pension scheme finance cost	118,000	88,000
Net (loss) on assets and liabilities from local authority on conversion	(10,067,683)	(8,032,478)
Net cash (used in)/provided by operating activities	(453,872)	391,020

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	1,722,757	1,611,153
	1,722,757	1,611,153

23. ACADEMY TRANSFERRED ON BUSINESS COMBINATION

On 1 September 2015 Bradon Forest School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Athelstan Trust from the Local Authority for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion

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

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

23. ACADEMY TRANSFERRED ON BUSINESS COMBINATION (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	10,689,000	10,689,000
Other tangible fixed assets	-	-	10,683	10,683
Budget surplus on other school funds	209,141	-	-	209,141
LGPS pension (deficit)	-	(632,000)	-	(632,000)
Net assets/(liabilities)	<u>209,141</u>	<u>(632,000)</u>	<u>10,699,683</u>	<u>10,276,824</u>

24. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for the EFA and funds received from the Dyson Foundation for scholarship pupils. In the accounting period ended 31 August 2016 the Academy received £10,045 from the EFA and disbursed £1,945 from the fund. The Academy also received £10,098 from the Dyson Foundation and disbursed £1,998 from the fund. The remaining £16,200 from both funds is included within other creditors at the year end.

25. CAPITAL COMMITMENTS

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

	2016 £	2015 £
Contracted for but not provided in these financial statements	<u>256,125</u>	<u>-</u>

26. 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 Wiltshire and Gloucestershire Council. Both are defined benefit pension schemes.

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

Contributions amounting to £209,396 were payable to the schemes at 31 August 2016 (2015: £135,846) and are included within creditors.

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

26. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,237,894 (2015: £594,801).

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate director-administered funds. The total contribution made for the year ended 31 August 2016 was £661,000 (2015: £452,000), of which employer's contributions totalled £535,000 (2015: £368,000) and employees' contributions totalled £126,000 (2015: £84,000). The agreed contribution rates for future years are 19.7% - 29.3% for employers and 5.5% - 9.9% 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.

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

	2016	2015
Discount rate for scheme liabilities	2.06 %	3.32 %
Rate of increase in salaries	3.43 %	4.26 %
Rate of increase for pensions in payment / inflation	2.10 %	2.88 %

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

	2016	2015
Retiring today		
Males	22.4 years	22.4 years
Females	24.5 years	24.6 years
Retiring in 20 years		
Males	24.2 years	24.3 years
Females	26.9 years	27.0 years

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	3,503,000	2,088,000
Bonds	839,000	526,000
Property	515,000	311,000
Cash	98,000	48,000
Total market value of assets	4,955,000	2,973,000

The actual return on scheme assets was £834,000 (2015: £921,000).

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26. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(595,000)	(393,000)
Net interest cost	(118,000)	(88,000)
Gains on curtailments and settlements	-	(11,000)
	<u> </u>	<u> </u>
Total	<u><u>(713,000)</u></u>	<u><u>(492,000)</u></u>

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

	2016 £	2015 £
Opening defined benefit obligation	5,474,000	4,844,000
Current service cost	595,000	393,000
Interest cost	275,000	188,000
Contributions by employees	126,000	84,000
Actuarial losses/(gains)	2,136,000	(13,000)
Past service costs	-	11,000
Liabilities assumed in a business combination	1,499,000	-
Benefits paid	(20,000)	(33,000)
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u><u>10,085,000</u></u>	<u><u>5,474,000</u></u>

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

	2016 £	2015 £
Opening fair value of scheme assets	2,973,000	2,492,000
Interest income	157,000	100,000
Actuarial gains and (losses)	317,000	(38,000)
Contributions by employer	535,000	368,000
Contributions by employees	126,000	84,000
Assets acquired in a business combination	867,000	-
Benefits paid	(20,000)	(33,000)
	<u> </u>	<u> </u>
Closing fair value of scheme assets	<u><u>4,955,000</u></u>	<u><u>2,973,000</u></u>

In 2015, the actuarial gains of £136,000 were recognised in the pension reserve in restricted funds.

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27. OPERATING LEASE COMMITMENTS

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

	Land and buildings			Other
	2016	2015	2016	2015
	£	£	£	£
AMOUNTS PAYABLE:				
Within 1 year	694,540	686,541	30,997	16,411
Between 1 and 5 years	2,758,160	2,731,164	82,800	27,142
After more than 5 years	7,240,170	7,837,722	-	-
Total	10,692,870	11,255,427	113,797	43,553

The Academy occupies buildings at Malmesbury School that are subject to a PFI agreement between the White Horse Education Partnership and Wiltshire Council. The amount included as an operating lease commitment above is the projected revenue payment for the next financial year. The agreement will expire in 2033 and each annual payment is subject to inflationary increases.

28. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account.

29. 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.

30. GENERAL INFORMATION

The Athelstan Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Corn Gastons, Malmesbury, Wiltshire, SN16 0DF

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31. FIRST TIME ADOPTION OF FRS 102

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

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

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		312,551	8,806,361
Total funds reported under FRS 102		<u>312,551</u>	<u>8,806,361</u>

Reconciliation of net income/ (expenditure)	Notes	31 August 2015 £
Net income previously reported under UK GAAP		8,568,810
Pension interest cost		(50,000)
Net movement in funds reported under FRS 102		<u>8,518,810</u>

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

Under previous UK GAAP the Academy recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in expenditure. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the expenditure by £50,000 and decrease the other recognised gains and losses in the SoFA by an equivalent amount.