

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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

CONTENTS

	Page
Reference and administrative details	1 - 2
Directors' report	3 - 11
Governance statement	12 - 14
Statement on regularity, propriety and compliance	15
Statement of Directors' responsibilities	16
Independent auditors' report on the financial statements	17 - 19
Independent reporting accountant's assurance report on regularity	20 - 21
Statement of financial activities incorporating income and expenditure account	22
Balance sheet	23
Statement of cash flows	24
Notes to the financial statements	25 - 50

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	W Allbrook C Littler D Mitchell K Sharp
Directors	D Mitchell, Chair ^{1,2} W Webster, Vice Chair R Boggis-Rolfe (appointed 18 May 2017) A Brooks ² D Collen K Darby ¹ D Few T Gilson ² G Martin ² F Orwin ¹
	¹ Pay & Appointments Committee ² Audit Committee
Company registered number	07699625
Company name	The Athelstan Trust
Principal and Registered office	Corn Gastons Malmesbury Wiltshire Wiltshire SN16 0DF
Company secretary	Ms J Cummings
Accounting officer	Mr T Gilson
Senior Leadership Team	Mr T Gilson, CEO/Headteacher (Malmesbury School) Mr J Barrett, Executive Headteacher (Dean Academy)/Deputy Headteacher (Malmesbury School) Mrs J Nicholls, CFO/Business Manager (Malmesbury School) Mr T Beveridge, Head of School (Dean Academy) Dr A Morrison, Headteacher (Bradon Forest School)
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

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

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

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 2017**

The Directors present their annual report together with the financial statements and Auditors' Report of the Charitable Company for the year ended 31 August 2017. The annual report serves the purpose of both a Director's report, and a Directors' report under company law. The Academy was constituted on 1 March 2015 when The Dean Academy joined the Malmesbury School Academy Trust. Bradon Forest School then joined the Trust on 1 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 1,324 in the school census on 30 January 2017. The Dean Academy, in Lydney, Gloucestershire, a secondary school for pupils ages 11 to 16, with a pupil capacity of 1,095 and a roll of 675 in the school census on 30 January 2017. Bradon Forest School, Purton, Wiltshire, a secondary school for pupils aged 11 to 16, with a pupil capacity of 1,355 and a roll of 907 in the school census on 30 January 2017.

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 pages 1 to 2.

Members' Liability

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

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 2017**

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 at one of the schools 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

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

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

**DIRECTOR'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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, plus an independent advisor 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 Sixth Form 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.

Bradon Forest have an agreement with St Mary's CofE Primary to provide support from their IT technician.

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

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 ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTOR'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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

This was a challenging year for all three schools as we coped with the first cohort going through the new English and Maths GCSE and new A levels. We also had to deal with real terms declines to our budgets and this meant that we have faced difficult decisions about cutting back and not replacing staff who leave, as well as making significant cuts in our non-staff expenditure.

Examination results - The Dean Academy

There is a very positive upturn in examination results at The Dean academy. The key performance measure for this is:

GCSE	2012	2013	2014	2015	2016	2017
% 5 A* - C	74	82	50	59	51	54
% 5 A* - C including E & M	53	51	47	45	38	47
% A* / A	15	15	10	12	12	6
% English Bac	8	7	6	8	15	11
% 2+ Science A* - C	*	*	59	69	45	48

We are delighted that we have been able to continue our strong partnership with 'TeachFirst' and two additional excellent graduates have been appointed in English and Maths. We have further strengthened Maths by deploying an outstanding Maths teacher from Malmesbury to work 3 days per week at The Dean Academy and to lead on KS3. We have also appointed a very strong science teacher from Malmesbury to work 4 days per week at The Dean Academy.

As of 1 September 2016 Tom Beveridge took over as Head of School from John Barrett who had been Acting Headteacher at The Dean Academy. John Barrett continued at Dean through the school year in an Executive Head role for two days per week; Tim Gilson CEO continues to be there one day per week as does Jane Nicholls CFO.

Examination results - Bradon Forest School

Bradon Forest produced its second best set of GCSE results under the % A*-C performance measure:

GCSE	2012	2013	2014	2015	2016	2017
% 5A*- C	71	65	75	71	73	68
% 5A*- C including English & Maths	53	59	60	63	70	63
% A*- A	18	18	22	22	21	19
% English Bac	25	25	23	31	23	23
% 2+ Science	62	63	80	70	67	69

Bradon Forest had the official opening of the new sports hall this year and have secured funding for further building improvements and refurbishment. The School roll continues to increase as Bradon Forest's reputation grows.

DIRECTOR'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Examination Results - Malmesbury School

GCSE	2010	2011	2012	2013	2014	2015	2016	2017
% 5A*- C	80	84	75	85	79	83	86	78
% 5A*- C including English & Maths	63	75	64	76	71	74	77	70
% A*/A	29	31	29	26	30	31	31	28
% English Bac	26	24	30	33	46	45	45	37
% 2+ Science	*	*	73	72	72	85	79	71

A & AS Level	2009	2010	2011	2012	2013	2014	2015	2016	2017
A*/A%	*	33	39	36	26	37	28	31	41
A-B%	49	56	59	66	52	65	61	64	71
A2									
A-C%	75	84	84	86.5	84	90	84	88	92.5
A2									
A-B%	42	58	49	41	47	45	51	48	42
AS									
A-C%	67	82	69	69	66	68	73	71	63
AS									

Malmesbury School had an excellent set of A-Level results, once again placing it in the top flight of comprehensive schools nationally. GCSE results continue to be strong.

Plans are underway for a building extension at Malmesbury School to accommodate the growing numbers. We were delighted to be the first school in Wiltshire to be awarded the Careers Mark Gold in recognition of our excellent Careers advice and guidance.

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 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 benefited 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

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

**DIRECTOR'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

- 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 2016/17 £676,122 was carried forward.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2016/17 this was 98% (2016: 91%).

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 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2017, total expenditure of £17,646,458 was covered by recurrent grant funding from the DfE and local authorities, together with other incoming resources of £16,458,572. The excess of expenditure over income for the year (excluding restricted fixed asset funds and asset funds) was £771,119.

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. Bradon Forest School and The Dean Academy both hold full fixed asset registers with annual depreciation in line with Trust policy.

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 25 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 £300,000. The reason for this is to provide a cushion against a fall in student numbers, and to allow for any development works. Total reserves of the academy amount to £18,152,740, although £17,476,618 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £676,122 (representing £672,654 unrestricted funds and £3,468 unspent GAG) is the balance that the Directors monitor in accordance with the Board's reserves policy. The reserves of the Funds over planned reserves is money put aside to cover projected deficits. The Directors future planning is to increase reserves, financial projections show that with increasing 11 – 16 numbers at Bradon Forest and Malmesbury the financial situation will improve and consequently it should be possible to increase reserves to provide greater financial assurance. It is also hoped that the introduction of the

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

**DIRECTOR'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

National Funding Formula will have a positive effect.

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 93% 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.

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 ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTOR'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

For Disabled Employees

The Athelstan Trust is an Equal Opportunities Employer, and works in conjunction with the Equality Act 2010 and supports disabled people including those with long term health conditions, learning disabilities and so called "hidden" disabilities such as dyslexia. If the employee confirms that they have a disability we can make reasonable adjustments to ensure that any selection processes including the interview are fair and equitable.

The Trust also supports disabled employees by following the Managing Employee Health, Wellbeing and Attendance Procedure in Academies. This policy ensures that the Trust works with Occupational Health in order to support all disabilities with internal training programmes and career development.

For Employee Consultation:

The leadership team plans all potential development changes for the Federation and works in partnership with all stakeholders which includes employees, unions, governors and senior members of staff to communicate and support the Trust with all workforce changes.

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

**DIRECTOR'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 7 December 2017 and signed on the board's behalf by:

Mr D Mitchell
Chair of Directors

Mr T Gilson
Accounting officer

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

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 6 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	6	6
W Webster	5	6
R Boggis-Rolfe	2	2
A Brooks	4	6
D Collen	5	6
K Darby	4	6
D Few	4	6
T Gilson	6	6
G Martin	6	6
F Orwin	4	6

The Audit Committee is a sub-committee of the main Board of Directors. Its purpose is to oversee the audit process both at year end and throughout the year.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
A Brooks	1	1
T Gilson	1	1
G Martin	1	1
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. A fixed price 2 year agreement has been put in place for payroll provision across the Trust and a single HR contract has been agreed; both agreements have resulted in cost savings.

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 2016 to 31 August 2017 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 2016 to 31 August 2017 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 Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The 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. The FCA produces four reports per year on the operation of the systems of control and on the discharge of the Trust's financial responsibilities. No matters of significance were reported during the year.

GOVERNANCE STATEMENT (continued)

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.

Approved on behalf of the members of the Board of Directors on 7 December 2017 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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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 ESFA.

Mr T Gilson
Accounting Officer

Date: 7 December 2017

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

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 and Skills 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 2016 to 2017;
- 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 ESFA/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: 7 December 2017

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

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

OPINION

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Directors' responsibilities, 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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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:

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

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

In accordance with the terms of our engagement letter dated 22 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Athelstan Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Athelstan Trust and the ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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:

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Transfer from Local Authority on conversion	2	-	-	-	-	10,276,824
Other donations and capital grants	2	24,531	492,335	-	516,866	1,435,289
Charitable activities	3	788,342	15,022,914	-	15,811,256	15,993,596
Other trading activities	4	129,113	-	-	129,113	82,440
Investments	6	1,337	-	-	1,337	2,296
TOTAL INCOME		943,323	15,515,249	-	16,458,572	27,790,445
EXPENDITURE ON:						
Raising funds		14,905	-	-	14,905	12,816
Charitable activities		988,066	16,226,720	416,767	17,631,553	17,436,364
TOTAL EXPENDITURE	7	1,002,971	16,226,720	416,767	17,646,458	17,449,180
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
		(59,648)	(711,471)	(416,767)	(1,187,886)	10,341,265
Transfers between Funds	18	-	(266,482)	266,482	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(59,648)	(977,953)	(150,285)	(1,187,886)	10,341,265
Actuarial gains/(losses) on defined benefit pension schemes	25	-	2,012,000	-	2,012,000	(1,819,000)
NET MOVEMENT IN FUNDS		(59,648)	1,034,047	(150,285)	824,114	8,522,265
RECONCILIATION OF FUNDS:						
Total funds brought forward		732,302	(4,454,512)	21,050,836	17,328,626	8,806,361
TOTAL FUNDS CARRIED FORWARD		672,654	(3,420,465)	20,900,551	18,152,740	17,328,626

The notes on pages 25 to 50 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		20,900,551		21,050,836
CURRENT ASSETS					
Debtors	15	282,404		792,974	
Cash at bank and in hand		1,572,417		1,722,757	
			1,854,821	2,515,731	
CREDITORS: amounts falling due within one year	16	(976,632)		(1,107,941)	
NET CURRENT ASSETS			878,189		1,407,790
TOTAL ASSETS LESS CURRENT LIABILITIES			21,778,740		22,458,626
Defined benefit pension scheme liability	25		(3,626,000)		(5,130,000)
NET ASSETS			18,152,740		17,328,626
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
Restricted income funds	18	205,535		675,488	
Fixed asset funds	18	20,900,551		21,050,836	
Restricted funds excluding pension liability		21,106,086		21,726,324	
Pension reserve		(3,626,000)		(5,130,000)	
Total restricted funds			17,480,086		16,596,324
Unrestricted funds	18		672,654		732,302
TOTAL FUNDS			18,152,740		17,328,626

The financial statements on pages 22 to 50 were approved by the Directors, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:

Mr D Mitchell
Chair

The notes on pages 25 to 50 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	21	<u>(241,293)</u>	<u>(453,872)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(266,482)	(727,103)
Capital grants from DfE/ESFA		356,098	1,290,343
Net cash provided by investing activities		<u>89,616</u>	<u>563,240</u>
Cash flows from financing activities:			
Interest received		<u>1,337</u>	<u>2,236</u>
Net cash provided by financing activities		<u>1,337</u>	<u>2,236</u>
Change in cash and cash equivalents in the year		(150,340)	111,604
Cash and cash equivalents brought forward		<u>1,722,757</u>	<u>1,611,153</u>
Cash and cash equivalents carried forward	22	<u><u>1,572,417</u></u>	<u><u>1,722,757</u></u>

The notes on pages 25 to 50 form part of these financial statements.

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

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

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.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

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 receipt is probable 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 is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

Freehold property	-	2% straight line
Plant and other machinery	-	15%-20% straight line
Motor vehicles	-	10% 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.

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

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

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 PENSIONS

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

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 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 net income / expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1. ACCOUNTING POLICIES (continued)

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 23.

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from Local Authority on conversion	-	-	-	-	10,276,824
	-	-	-	-	10,276,824
Donations	24,531	20,038	-	44,569	44,858
Capital Grants	-	356,098	-	356,098	1,290,343
Educational visits	-	116,199	-	116,199	100,088
	24,531	492,335	-	516,866	1,435,289
	24,531	492,335	-	516,866	11,712,113
<i>Total 2016</i>	233,319	779,111	10,699,683	11,712,113	

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	13,489,324	13,489,324	13,821,307
Other DfE/ESFA grants	-	586,847	586,847	658,499
	<u>-</u>	<u>14,076,171</u>	<u>14,076,171</u>	<u>14,479,806</u>
Other Government grants				
High Needs	-	361,659	361,659	309,492
Other Government grants non capital	-	569,903	569,903	510,478
	<u>-</u>	<u>931,562</u>	<u>931,562</u>	<u>819,970</u>
Other funding				
Internal catering income	126,166	-	126,166	132,947
Income for hosting trainee teachers	7,426	-	7,426	6,534
Sales to students	83,238	-	83,238	73,409
Contributions to educational visits and transport	559,264	-	559,264	422,269
Other	12,248	15,181	27,429	58,661
	<u>788,342</u>	<u>15,181</u>	<u>803,523</u>	<u>693,820</u>
	<u>788,342</u>	<u>15,022,914</u>	<u>15,811,256</u>	<u>15,993,596</u>
<i>Total 2016</i>	<u>681,357</u>	<u>15,312,239</u>	<u>15,993,596</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	11,472	-	11,472	2,360
Consultancy	99,456	-	99,456	63,674
Fees received	18,185	-	18,185	16,406
	<u>129,113</u>	<u>-</u>	<u>129,113</u>	<u>82,440</u>
<i>Total 2016</i>	<u>82,440</u>	<u>-</u>	<u>82,440</u>	

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Fundraising grants expenses	-	-	-	6,847
Consultancy expenditure	14,905	-	14,905	5,969
Total	<u>14,905</u>	<u>-</u>	<u>14,905</u>	<u>12,816</u>

In 2016 the total activities for generating funds was unrestricted.

6. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	1,337	-	1,337	2,296
Total 2016	<u>2,296</u>	<u>-</u>	<u>2,296</u>	

7. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	-	-	14,905	14,905	12,816
Education:					
Direct costs	11,089,452	351,393	1,576,335	13,017,180	12,957,498
Support costs	2,063,097	1,703,226	848,050	4,614,373	4,478,866
	<u>13,152,549</u>	<u>2,054,619</u>	<u>2,439,290</u>	<u>17,646,458</u>	<u>17,449,180</u>
Total 2016	<u>12,957,232</u>	<u>2,156,835</u>	<u>2,335,113</u>	<u>17,449,180</u>	

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. DIRECT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	49,000	75,000
Educational supplies	527,516	541,062
Examination fees	251,986	256,194
Staff development	81,230	63,342
Educational visits and transport	666,603	579,490
Supply teachers	104,850	255,728
Wages and salaries	8,567,329	8,674,199
National insurance	785,368	687,456
Pension cost	1,631,905	1,480,751
Depreciation	351,393	344,276
	13,017,180	12,957,498
<i>Total 2016</i>	<u>12,957,498</u>	

9. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	61,000	43,000
PFI Costs	739,015	715,076
Recruitment and support	28,776	49,977
Maintenance of premises and equipment	562,889	687,279
Cleaning	57,950	41,728
Rent and rates	110,432	104,499
Energy costs	164,982	167,263
Insurance	54,501	41,221
Security and transport	41,372	63,546
Catering	114,442	129,875
Technology costs	264,106	227,863
Office overheads	121,917	135,169
Legal and professional	116,268	95,965
Bank interest and charges	276	156
Loss on disposal of fixed assets	-	39,655
Governance	47,976	26,430
Wages and salaries	1,358,682	1,361,190
National insurance	159,562	134,873
Pension cost	544,853	357,066
Depreciation	65,374	57,035
	4,614,373	4,478,866
<i>Total 2016</i>	<u>4,478,866</u>	

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	416,767	401,311
Auditors' remuneration - audit	14,495	13,495
Auditors' remuneration - other services	4,880	3,985
Internal assurance costs	34,125	28,526
PFI Costs	739,015	715,076
	=====	=====

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

11. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	9,909,136	9,979,354
Social security costs	944,930	822,329
Operating costs of defined benefit pension schemes	2,176,758	1,837,817
	<u>13,030,824</u>	<u>12,639,500</u>
Apprenticeship levy	14,619	-
Supply teacher costs	104,850	255,728
Staff restructuring costs	2,256	62,004
	<u><u>13,152,549</u></u>	<u><u>12,957,232</u></u>

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	-	12,005
Severance payments (2 persons, 2016 1 person)	2,256	49,999
	<u>2,256</u>	<u>62,004</u>

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

	2017 No.	2016 No.
Teachers	198	207
Teaching support	91	81
Administration	106	103
Management	17	18
	<u>412</u>	<u>409</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	174	174
Teaching support	47	49
Administration	64	60
Management	17	18
	<u>302</u>	<u>301</u>

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

11. STAFF COSTS (continued)

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	3	5
In the band £70,001 - £80,000	4	1
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	0	1
In the band £110,001 - £120,000	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 £535,669 (2016: £337,080).

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 2017, expenses totalling £1,649 (2016: £895) were reimbursed to 2 Directors (2016: 6).

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 (2016: £110,000 - £115,000), Employer's pension contributions £15,000 - £20,000 (2016: £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 £2,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

14. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant and other machinery £	Motor vehicles £	Assets under construction £	Total £
COST					
At 1 September 2016	20,677,250	253,321	41,929	700,286	21,672,786
Additions	-	22,295	-	244,187	266,482
Transfer between classes	944,473	-	-	(944,473)	-
At 31 August 2017	<u>21,621,723</u>	<u>275,616</u>	<u>41,929</u>	<u>-</u>	<u>21,939,268</u>
DEPRECIATION					
At 1 September 2016	469,038	132,005	20,907	-	621,950
Charge for the year	368,290	42,367	6,110	-	416,767
At 31 August 2017	<u>837,328</u>	<u>174,372</u>	<u>27,017</u>	<u>-</u>	<u>1,038,717</u>
NET BOOK VALUE					
At 31 August 2017	<u>20,784,395</u>	<u>101,244</u>	<u>14,912</u>	<u>-</u>	<u>20,900,551</u>
At 31 August 2016	<u>20,208,212</u>	<u>121,316</u>	<u>21,022</u>	<u>700,286</u>	<u>21,050,836</u>

15. DEBTORS

	2017 £	2016 £
Trade debtors	23,504	26,423
VAT repayable	51,883	76,803
Prepayments and accrued income	207,017	689,748
	<u>282,404</u>	<u>792,974</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	101,029	3,680
Taxation and social security	238,781	231,586
Other creditors	228,699	225,596
Accruals and deferred income	408,123	647,079
	<u>976,632</u>	<u>1,107,941</u>

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September	170,319	69,093
Resources deferred during the year	174,355	170,319
Amounts released from previous years	(170,319)	(69,093)
	<u>174,355</u>	<u>170,319</u>
Deferred income at 31 August	<u>174,355</u>	<u>170,319</u>

At the Balance Sheet date the Academy was holding funds received in advance from the ESFA and educational visits to be spent in the 2017/18 academic year.

17. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	<u>1,678,044</u>	<u>2,321,470</u>

	2017 £	2016 £
Financial liabilities measured at amortised cost	<u>334,797</u>	<u>436,225</u>

Financial assets measured at amortised cost comprise of cash at bank and in hand, 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.

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
General Funds	732,302	943,323	(1,002,971)	-	-	672,654
RESTRICTED FUNDS						
General Annual Grant	41,818	13,489,324	(13,527,674)	-	-	3,468
DfE/ESFA Capital grants	26,877	26,118	(26,877)	-	-	26,118
Other DfE/ESFA grants	-	157,307	(157,307)	-	-	-
Dean Academy CIF/DFC Grant	24,161	282,461	(143,055)	(22,295)	-	141,272
Bradon DFC, SI06 and CIF	546,456	47,519	(349,181)	(244,187)	-	607
High Needs	-	361,659	(361,659)	-	-	-
Pupil Premium	22,416	429,540	(451,956)	-	-	-
Other LA funding	-	463,765	(463,765)	-	-	-
Other restricted funds	-	145,390	(145,390)	-	-	-
YPSS	13,760	106,138	(85,828)	-	-	34,070
WOMAD	-	6,028	(6,028)	-	-	-
Pension reserve	(5,130,000)	-	(508,000)	-	2,012,000	(3,626,000)
	<u>(4,454,512)</u>	<u>15,515,249</u>	<u>(16,226,720)</u>	<u>(266,482)</u>	<u>2,012,000</u>	<u>(3,420,465)</u>
RESTRICTED FIXED ASSET FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion & business combination	19,892,232	-	(354,149)	-	-	19,538,083
Fixed assets purchased from GAG and restricted funds	54,780	-	(29,417)	-	-	25,363
DfE/ESFA Capital grants	27,468	-	(7,342)	22,295	-	42,421
SI06 Grant	700,286	-	(15,669)	244,187	-	928,804
Transfer from Wiltshire Council	371,680	-	(8,080)	-	-	363,600
Donations	4,390	-	(2,110)	-	-	2,280
	<u>21,050,836</u>	<u>-</u>	<u>(416,767)</u>	<u>266,482</u>	<u>-</u>	<u>20,900,551</u>
Total restricted funds	<u>16,596,324</u>	<u>15,515,249</u>	<u>(16,643,487)</u>	<u>-</u>	<u>2,012,000</u>	<u>17,480,086</u>
Total of funds	<u>17,328,626</u>	<u>16,458,572</u>	<u>(17,646,458)</u>	<u>-</u>	<u>2,012,000</u>	<u>18,152,740</u>

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General Funds	562,535	999,412	(829,645)	-	-	732,302
	<u>562,535</u>	<u>999,412</u>	<u>(829,645)</u>	<u>-</u>	<u>-</u>	<u>732,302</u>
RESTRICTED FUNDS						
General Annual Grant	101,577	13,821,307	(13,880,144)	12,838	-	55,578
DfE/ESFA Capital grants	-	26,877	-	-	-	26,877
Other DfE/ESFA grants	50,265	231,424	(281,689)	-	-	-
Dean Academy CIF/DFC Grant	486,700	16,724	(479,263)	-	-	24,161
Bradon DFC, SI06 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	(45,520)	-	-	-
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>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
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/ESFA Capital grants	33,621	-	(6,153)	-	-	27,468
SI06 Grant	-	-	-	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 ESFA during the period in order to fund the continuing activities of the school. During the year £NIL (2016: £12,838) was transferred from the restricted fixed asset fund to represent fixed assets purchased from GAG.

DfE/ESFA 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 ESFA requirements. This was spent on professional fees.

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

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.

Pupil premium represents funding received from the ESFA 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.

18. STATEMENT OF FUNDS (continued)

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 ESFA.

DfE/ESFA 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.

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. STATEMENT OF FUNDS (continued)

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.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Malmesbury School	365,331	508,679
The Dean Academy	401,427	328,169
Bradon Forest School	93,249	570,942
Central	18,182	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	878,189	1,407,790
Restricted fixed asset fund	20,900,551	21,050,836
Pension reserve	(3,626,000)	(5,130,000)
	<hr/>	<hr/>
Total	18,152,740	17,328,626
	<hr/> <hr/>	<hr/> <hr/>

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 depreciation £	Total 2017 £	Total 2016 £
Malmesbury School	4,832,696	513,443	566,782	1,059,524	6,972,445	6,756,494
The Dean Academy	3,105,071	758,511	288,821	403,387	4,555,790	5,106,096
Bradon Forest School	3,153,456	540,019	684,357	876,834	5,254,666	5,086,712
Central services	176,771	539,124	2,263	145,399	863,557	499,878
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11,267,994	2,351,097	1,542,223	2,485,144	17,646,458	17,449,180
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 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:

	2017	2016
	£	£
Malmesbury School	50,582	49,000
The Dean Academy	177,267	188,969
Bradon Forest School	76,876	79,619
	<u>304,725</u>	<u>317,588</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Restricted	Total
	funds	funds	fixed asset	funds
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	20,900,551	20,900,551
Current assets	1,499,929	354,892	-	1,854,821
Creditors due within one year	(827,275)	(149,357)	-	(976,632)
Pension scheme liability	-	(3,626,000)	-	(3,626,000)
	<u>672,654</u>	<u>(3,420,465)</u>	<u>20,900,551</u>	<u>18,152,740</u>

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,187,886)	10,341,265
Adjustment for:		
Depreciation charges	416,767	401,311
Interest received	(1,337)	(2,236)
Loss on the sale of fixed assets	-	39,655
Capital grants received	(356,098)	(1,290,343)
Decrease/(increase) in debtors	510,570	(584,732)
(Decrease)/increase in creditors	(131,309)	530,891
Defined benefit pension scheme cost less contributions payable	398,000	60,000
Defined benefit pension scheme finance cost	110,000	118,000
Transfer from local authority on conversion	-	(10,067,683)
Net cash used in operating activities	<u>(241,293)</u>	<u>(453,872)</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	1,572,417	1,722,757
	<u>1,572,417</u>	<u>1,722,757</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23. 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 2017 the Academy received £17,092 from the EFA and disbursed £16,702 from the fund. The Academy also received £9,700 from the Cadets Foundation. The remaining £10,090 from both funds is included within other creditors at the year end.

24. CAPITAL COMMITMENTS

At 31 August 2017 the Academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	-	256,125

25. 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 Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £218,609 were payable to the schemes at 31 August 2017 (2016: 209,396) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

25. PENSION COMMITMENTS (continued)

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £1,190,316 (2016: £1,237,894).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £925,000 (2016: £661,000), of which employer's contributions totalled £746,000 (2016: £535,000) and employees' contributions totalled £179,000 (2016: £126,000). 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:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.06 %
Rate of increase in salaries	2.70 %	2.43 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

25. PENSION COMMITMENTS (continued)

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

	2017	2016
Retiring today		
Males	22.5 years	22.4 years
Females	24.8 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.2 years
Females	26.6 years	26.9 years

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	1,253,000	1,308,000
Salary increase rate +0.5%	252,000	538,000
Pension increase rate +0.5%	980,000	725,000

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	4,622,370	3,503,000
Bonds	1,008,230	839,000
Property	721,760	515,000
Cash and other liquid assets	129,640	98,000
Total market value of assets	<u>6,482,000</u>	<u>4,955,000</u>

The actual return on scheme assets was £995,000 (2016: £834,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(1,144,000)	(595,000)
Interest income	111,000	157,000
Interest cost	(221,000)	(275,000)
Total	<u>(1,254,000)</u>	<u>(713,000)</u>

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

25. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	10,085,000	5,474,000
Current service cost	1,144,000	595,000
Interest cost	221,000	275,000
Employee contributions	179,000	126,000
Actuarial (gains)/losses	(1,488,000)	2,136,000
Benefits paid	(33,000)	(20,000)
Liabilities assumed in business combination	-	1,499,000
	<u>10,108,000</u>	<u>10,085,000</u>
Closing defined benefit obligation	<u>10,108,000</u>	<u>10,085,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	4,955,000	2,973,000
Interest income	111,000	157,000
Actuarial losses	524,000	317,000
Employer contributions	746,000	535,000
Employee contributions	179,000	126,000
Benefits paid	(33,000)	(20,000)
Assets assumed in business combination	-	867,000
	<u>6,482,000</u>	<u>4,955,000</u>
Closing fair value of scheme assets	<u>6,482,000</u>	<u>4,955,000</u>

26. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings		Other	
	2017 £	2016 £	2017 £	2016 £
AMOUNTS PAYABLE:				
Within 1 year	695,595	694,540	26,869	30,997
Between 1 and 5 years	2,782,380	2,758,160	56,532	82,800
After more than 5 years	6,608,153	7,240,170	-	-
Total	<u>10,086,128</u>	<u>10,692,870</u>	<u>83,401</u>	<u>113,797</u>

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

27. 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.

28. 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.

29. 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