

THE ATHELSTAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

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**THE ATHELSTAN TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members W Allbrook
R Boggis-Rolfe
K Sharp, Chair
C Littler

Trustees R Boggis-Rolfe, Chair^{1,2}
K Frost, Vice Chair
A Brooks (resigned 18 July 2019)²
D Collen
K Darby¹
D Few²
T Gilson (resigned 28 January 2019)²
G Martin²
F Orwin¹
W Webster
T Brown (appointed 10 October 2019)

¹ Pay and Appointments Committee

² Finance and Audit Committee

Company registered number 07699625

Company name The Athelstan Trust

Principal and registered office Corn Gastons
Malmesbury
Wiltshire
SN16 0DF

Company secretary J Cummings

Chief executive officer Mr T Gilson

Senior leadership team Mr T Gilson, CEO/Executive Headteacher (Malmesbury School)
Mrs N Tilley, CFO
Mr T Beveridge, Headteacher (Dean Academy)
Mrs J Dickson, Headteacher (Bradon Forest School)
Mr J Barrett, Associate Headteacher (Malmesbury 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
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA
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**THE ATHELSTAN TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 3 secondary academies: Malmesbury School, an academy for pupils aged 11 to 18 in Malmesbury and surrounding area. It has a capacity of 1,340 and had a roll of 1,360 in the school census on 30 January 2019; The Dean Academy, in Lydney, Gloucestershire, a secondary school for pupils aged 11 to 16, with a pupil capacity of 1,095 and a role of 611 in the school census on 30 January 2019; Bradon Forest School, Purton, Wiltshire, a secondary school for pupils aged 11 to 16, with a pupil capacity of 1,355 and a role of 1,018 in the school census on 30 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of The Athelstan Trust are also the directors of the charitable company for the purposes of company law.

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

Members' liability

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

Trade union facility time

There are two members of the staff who were relevant union officials during the year.

The two union officials at the Trust are full time employees and spent a combined total of 8 hours during the year on their time on trade union activities.

Trustees' Indemnities

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

Principal Activities of The Athelstan Trust

- 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.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Articles allow for:

- up to 8 Trustees
- the Chief Executive Officer
- a minimum of 2 Parent Trustees 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
- Staff Trustees, if any, appointed through such process as the Members may determine.

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

The term of office for any Trustee 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 Trustee, any Trustee may be re-appointed or re-elected.

With regard to the appointment of Trustees, the Board gives consideration to the skills mix of the Trustees 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 Trustees

The training and induction provided for new Trustees 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 Trustees 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 Trustees 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.

Local Governing Body Self Evaluation sessions are organised each year with training sessions to keep the Trustees and Local Governors updated on relevant developments impacting on their roles and responsibilities.

Organisational Structure

The Board of Trustees 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 Academy 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 Academy Trust policies and procedures.

Local Governing Bodies are specifically focused on the:

- Standard and quality of education in the Academy
- Welfare of the pupils at the Academy
- Relationship between the Academy and the local community

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

The CEO is the Accounting Officer.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Arrangements for Setting Pay and Remuneration of Key Management Personnel

A pay panel comprising members of the Board of Trustees 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 Academy Trust. The pay panel has 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 Trustees 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 pupils, 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 Dean Academy has a shared use agreement for the Sport Centre Facilities administered by Freedom Leisure Ltd.

Bradon Forest School has 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 Trustees of the Academy Trust or Governors of the schools within the Academy Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

The Academy 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

We continue to operate in very challenging circumstances with significant changes to the examinations system still working their way through and further reductions in funding and therefore further reductions in staffing and curriculum support funds.

We have seen some significant changes in personnel; Tim Gilson moved from his fulltime role as Headteacher of Malmesbury School and Trust CEO to a part time Executive Headteacher and CEO role. John Barrett was appointed Associate Headteacher at Malmesbury School with effect from April 2019. Julie Dickson was appointed permanent head teacher at Bradon Forest from a strong national field in January 2019. In September 2019 we saw two newly appointed Assistant Headteachers at Bradon Forest and one permanent new Assistant Headteacher at Malmesbury School.

We have finally got the extension underway at Malmesbury School and we have also had a significant investment in the main teaching block at Bradon Forest School.

Two local secondary schools have asked to join the Athelstan Trust and we are in the process of consultation and due diligence. We have now had approval from the Headteacher Board for one of the schools to join the Trust. We are working closely with the ESFA and RSC office on this exciting growth plan.

We are running an enthuse science project in the Forest of Dean.

Examination results – The Dean Academy

This year's examinations results at The Dean Academy were not quite as good as we had hoped but we saw some positive trends in science and English. Across a number of measures including progress 8 we saw incremental improvements.

GCSE	2012	2013	2014	2015	2016	2017	2018	2019
% 5 A* - C	74	82	50	59	51	54	45	48
% 5 A* - C including English & Maths	53	51	47	45	38	47	44	46
% A* / A	15	15	10	12	12	6.3	9.4	5.7
% English Bac	8	7	6	8	15	11	15	11
% 2+ Science A* - C	*	*	59	69	45	48	53	53
P8					-0.43	-0.21	-0.6	-0.5

'TeachFirst' continue to be a very important partner for us and two additional excellent graduates have been appointed in English and Maths. We have built leadership capacity by seconding two Assistant Heads for part of their time from Malmesbury to The Dean Academy. Our Trust Computer Science lead is also working one day per week at the school. We have appointed a strong new Head of Maths.

Examination results - Bradon Forest School

Bradon Forest GCSE results were not as strong as we hoped for this year as a whole. We are pleased to see an improvement with the more able.

GCSE	2012	2013	2014	2015	2016	2017	2018	2019
% 5 A* - C	71	65	75	71	73	68	77	70
% 5 A* - C including English & Maths	53	59	60	63	70	63	74	69
% A* - A	18	18	22	22	21	19	14	21
% English Bac	25	25	23	31	23	23	28	27
% 2+ Science	62	63	80	70	67	69	68	69
P8					0.01	-0.01	-1.0	-0.27

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Examination Results - Malmesbury School

GCSE	2011	2012	2013	2014	2015	2016	2017	2018	2019
% 5A* - C	84	75	85	79	83	86	78	83	77
% 5A* - C including English & Maths	75	64	76	71	74	77	70	82	75
% A*/A	31	29	26	30	31	31	28	33	27
% English Bac	24	30	33	46	45	45	37	50	40
% 2+ Science	*	73	72	72	85	79	71	85	83
P8					0.27	0.42	0.15	0.3	0.11

The GCSE results are not quite as strong as last year and there are some specific areas to focus on. They still represent solid value added.

A & AS Level	2011	2012	2013	2014	2015	2016	2017	2018	2019
A*/A%	39	36	26	37	28	31	41	33	32
A-B%	59	66	52	65	61	64	71	67	62
A2 A-C%	84	86.5	84	90	84	88	93	88	80
%AAB in 3 subjects		30	12	26	24	17	25	21	24

These are strong A-level results that maintain our consistent value added.

The extension at Malmesbury School to accommodate the growing numbers is complete. This year we welcomed our biggest ever Year 7 group.

Avon Teaching School Alliance (TSA)

The Avon TSA continues to be highly successful and has new leadership from Sarah Haines and Sian Jones.

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, Bristol University and Bath Spa University are university partners. We have been joined by Sir William Romney's School in Tetbury.

Other schools within the Alliance are The Dean Academy, Bradon Forest School and Sherston Primary. We work collaboratively with The Mead TSA in Trowbridge.

The most significant development this year has been our delivery of the National Professional Qualification for Executive Leadership as part of the national ASCL led consortium of Teaching School Alliances. We are now on our third cohort of this well-regarded programme and are involved at a board level with its development.

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.

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

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- Technicians training and network meetings
- CLEAPSS courses
- Triple Science support
- Subject Leader meetings
- 'Developing Expertise in' science courses
- Stonewall Train the Trainer CPS
- School to School support

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 2018/19 £1,004,968 was carried forward.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2018/19 this was 95% (2018: 96%).

Going Concern

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

FINANCIAL REVIEW

Financial Review

The bulk of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2019, total expenditure of £17,120,369 was covered by recurrent grant funding from the DfE and local authorities, together with other incoming resources of £16,663,342. The excess of expenditure over income for the year was £457,027. Excluding pension movements of £352,000 (included in charitable expenditure) and the deficit on capital funding of £203,902, this results in an operating surplus for the year of £98,875. This is the movement on "free reserves" which is defined as unrestricted funds and revenue restricted funds (excluding pension reserve and capital funds) and totalled £1,028,420 at the balance sheet date.

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 Academy Trust policy.

The Academy Trust 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 24 to the financial statements.

Reserves Policy

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

The Trustees have determined that the appropriate level of free reserves should be approximately £300,000. The reason for this is to provide a cushion against a fall in pupil numbers, and to allow for any development works. Total reserves of the academy amount to £16,685,636, although £15,680,668 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £1,004,968 (representing £1,004,968

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unrestricted funds and £NIL unspent GAG) is the balance that the Trustees 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 Trustees 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 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. Trustees 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 Trustees. 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 Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

Financial - the MAT has considerable reliance on continued Government funding through the ESFA. 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 Academy Trust, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

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

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

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

Fraud and mismanagement of funds - The Academy 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. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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FOR THE YEAR ENDED 31 AUGUST 2019**

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 Trustees are aware of these costs and they are accounted for fully in the budget planning. The Asset registers at The Dean Academy and Bradon Forest are complete and the values kept under review.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 24 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

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

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

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 Academy Trust also supports disabled employees by following the Managing Employee Health, Wellbeing and Attendance Procedure in Academies. This policy ensures that the Academy 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 developmental 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.

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**TRUSTEES' REPORT (CONTINUED)
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AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 5 December 2019 and signed on its behalf by:

Mr R Boggis-Rolfe
Chair of Trustees

Mr T Gilson
Accounting officer

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, 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 Trustees 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 Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Boggis-Rolfe, Chair	5	6
K Frost, Vice Chair	5	6
A Brooks	5	6
D Collen	3	6
K Darby	4	6
D Few	5	6
T Gilson	4	6
G Martin	6	6
F Orwin	6	6
W Webster	5	6
T Brown	0	0

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Brooks	3	3
T Gilson	3	3
G Martin	2	3
R Boggis-Rolfe	3	3
D Few	2	2

GOVERNANCE STATEMENT (CONTINUED)

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 Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by 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.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Athelstan Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Trustees 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 FCA 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 by order of the members of the Board of Trustees on 5 December 2019 and signed on their behalf by:

Mr R Boggis-Rolfe
Chair of Trustees

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 Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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

Mr T Gilson
Accounting Officer
Date: 5 December 2019

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

Mr R Boggis-Rolfe
Chair of Trustees

Date: 5 December 2019

**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 (the 'Academy Trust') for the year ended 31 August 2019 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 & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust'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.

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' report including the Strategic report, the Governance statement and the Accounting officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

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: 16 December 2019

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

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

In accordance with the terms of our engagement letter dated 22 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by 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 Trust's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy 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 ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
ATHELSTAN TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has 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: 16 December 2019

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	3	8,990	87,855	231,403	328,248	1,335,299
Charitable activities:	4					
Funding the academy trust's educational operations		831,843	15,255,238	-	16,087,081	15,536,247
Teaching schools	29	110,891	100,299	-	211,190	139,166
Other trading activities	5	34,855	660	-	35,515	24,155
Investments	6	1,308	-	-	1,308	1,111
TOTAL INCOME		987,887	15,444,052	231,403	16,663,342	17,035,978
EXPENDITURE ON:						
Charitable activities:						
Academy trust educational operations		594,665	15,924,585	435,305	16,954,555	16,967,141
Teaching schools	29	80,283	85,531	-	165,814	133,914
Other expenditure		-	-	-	-	-
TOTAL EXPENDITURE	7	674,948	16,010,116	435,305	17,120,369	17,101,055
NET INCOME/(EXPENDITURE)		312,939	(566,064)	(203,902)	(457,027)	(65,077)
Transfers between funds	18	-	(21,463)	21,463	-	-
Actuarial losses on defined benefit pension schemes	24	-	(2,049,000)	-	(2,049,000)	1,104,000
NET MOVEMENT IN FUNDS		312,939	(2,636,527)	(182,439)	(2,506,027)	1,038,923
RECONCILIATION OF FUNDS:						
Total funds brought forward		692,029	(2,686,021)	21,185,655	19,191,663	18,152,740
Net movement in funds		312,939	(2,636,527)	(182,439)	(2,506,027)	1,038,923
TOTAL FUNDS CARRIED FORWARD		1,004,968	(5,322,548)	21,003,216	16,685,636	19,191,663

The notes on pages 25 to 53 form part of these financial statements.

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

**BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	20,823,197	21,176,736
CURRENT ASSETS			
Debtors	15	409,774	339,864
Cash at bank and in hand		1,760,153	1,637,995
		<u>2,169,927</u>	<u>1,977,859</u>
Creditors: amounts falling due within one year	16	(961,488)	(1,017,932)
NET CURRENT ASSETS		1,208,439	959,927
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,031,636</u>	<u>22,136,663</u>
Defined benefit pension scheme liability	24	(5,346,000)	(2,945,000)
TOTAL NET ASSETS		<u><u>16,685,636</u></u>	<u><u>19,191,663</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	18	21,003,216	21,185,655
Restricted income funds	18	23,452	258,979
Restricted funds excluding pension liability	18	<u>21,026,668</u>	<u>21,444,634</u>
Pension reserve	18	(5,346,000)	(2,945,000)
Total restricted funds	18	15,680,668	18,499,634
Unrestricted income funds	18	1,004,968	692,029
TOTAL FUNDS		<u><u>16,685,636</u></u>	<u><u>19,191,663</u></u>

The financial statements on pages 22 to 53 were approved by the Trustees, and authorised for issue on 5 December 2019 and are signed on their behalf, by:

Mr R Boggis-Rolfe
Chair of Trustees

The notes on pages 25 to 53 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	20	(28,787)	(361,881)
CASH FLOWS FROM INVESTING ACTIVITIES	22	149,637	426,348
CASH FLOWS FROM FINANCING ACTIVITIES	21	1,308	1,111
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		122,158	65,578
Cash and cash equivalents at the beginning of the year		1,637,995	1,572,417
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	23	1,760,153	1,637,995

The notes on pages 25 to 53 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Athelstan Trust meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

• **Grants**

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

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

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

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the 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.

1.4 EXPENDITURE

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

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1. ACCOUNTING POLICIES (continued)

1.5 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.6 TANGIBLE FIXED ASSETS

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided 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 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.

1.8 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 or similar account and cash on deposit that has a notice period of less than 30 days.

1. ACCOUNTING POLICIES (continued)

1.9 LIABILITIES

Liabilities 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 Trust 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.

1.10 FINANCIAL INSTRUMENTS

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases 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. Prepayments are not financial instruments. 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 cost 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 instrument.

1.11 OPERATING LEASES

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

1. ACCOUNTING POLICIES (continued)

1.12 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13 PFI AGREEMENT

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

1.14 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA and funds from the Dyson Foundation for scholarship pupils. Payments received from the ESFA and the Dyson Foundation are excluded from the Statement of Financial Activities, along with any subsequent disbursements to pupils, as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this element is recognised in the Statement of Financial Activities.

1. ACCOUNTING POLICIES (continued)

1.15 FUND ACCOUNTING

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

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

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

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 have been used to purchase fixed assets.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

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3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	8,990	11,675	20,665	133,839
Capital Grants	-	231,403	231,403	1,131,040
Educational visits	-	76,180	76,180	70,420
	<u>8,990</u>	<u>319,258</u>	<u>328,248</u>	<u>1,335,299</u>
	<u>8,990</u>	<u>319,258</u>	<u>328,248</u>	<u>1,335,299</u>
Total 2018	<u>72,270</u>	<u>1,263,029</u>	<u>1,335,299</u>	

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA GRANTS				
General Annual Grant	-	13,797,380	13,797,380	13,589,638
Other DfE/ESFA grants	-	495,347	495,347	545,633
	<u>-</u>	<u>14,292,727</u>	<u>14,292,727</u>	<u>14,135,271</u>
Othe Government grants				
High Needs	-	517,693	517,693	357,399
Other Government grants non capital	-	444,818	444,818	405,306
	<u>-</u>	<u>962,511</u>	<u>962,511</u>	<u>762,705</u>
Other funding				
Internal catering income	112,594	-	112,594	118,161
Income for hosting trainee teachers	-	-	-	9,467
Sales to pupils	75,619	-	75,619	113,605
Contributions to educational visits and transport	553,696	-	553,696	328,983
Educational consultancy and other	89,934	-	89,934	68,055
	<u>831,843</u>	<u>15,255,238</u>	<u>16,087,081</u>	<u>15,536,247</u>
	<u>831,843</u>	<u>15,255,238</u>	<u>16,087,081</u>	<u>15,536,247</u>
Total 2018	<u>615,798</u>	<u>14,920,449</u>	<u>15,536,247</u>	

**THE ATHELSTAN TRUST
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FOR THE YEAR ENDED 31 AUGUST 2019**

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	34,855	660	35,515	24,155
Total 2018	24,155	-	24,155	

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	1,308	1,308	1,111

7. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Education:					
Direct costs	10,431,714	347,233	1,612,264	12,391,211	12,362,187
Support costs	2,081,393	1,011,519	1,470,432	4,563,344	4,604,954
Teaching school	99,828	6,629	59,357	165,814	133,914
	<u>12,612,935</u>	<u>1,365,381</u>	<u>3,142,053</u>	<u>17,120,369</u>	<u>17,101,055</u>
Total 2018	<u>12,831,155</u>	<u>1,309,340</u>	<u>2,960,560</u>	<u>17,101,055</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	12,391,211	4,563,344	16,954,555	16,967,141
Total 2018	12,362,187	4,604,954	16,967,141	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	41,869	36,660
Staff costs	10,539,714	10,562,785
Depreciation	347,233	361,561
Educational supplies	447,114	436,580
Examination fees	243,255	230,249
Staff development	30,743	23,444
Educational visits and transport	592,370	469,753
Supply teachers	148,913	241,155
	12,391,211	12,362,187

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FOR THE YEAR ENDED 31 AUGUST 2019**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	44,131	57,340
Staff costs	2,239,393	2,182,578
Depreciation	88,072	66,946
PFI costs	780,356	773,321
Recruitment and support	21,039	23,243
Maintenance of premises and equipment	450,018	463,134
Cleaning	58,314	68,246
Rent and rates	108,004	101,737
Energy costs	215,038	169,605
Insurance	65,162	64,656
Security and transport	42,447	61,693
Catering	90,180	96,550
Technology costs	191,528	225,374
Office overheads	83,737	120,390
Legal and professional	57,869	76,351
Bank interest and charges	89	89
Governance	27,967	53,701
	4,563,344	4,604,954

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	27,570	25,799
Depreciation of tangible fixed assets	435,305	428,507
Internal assurance costs	1,580	1,504
PFI costs	780,356	761,235
Fees paid to auditors for:		
- audit	16,775	15,000
- other services	1,925	5,998

**THE ATHELSTAN TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. STAFF COSTS

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	9,910,344	9,786,725
Social security costs	915,426	919,090
Pension costs	2,053,165	2,125,340
	12,878,935	12,831,155
Agency staff costs	148,913	241,155
Staff restructuring costs	27,252	28,673
	13,055,100	13,100,983

Staff restructuring costs comprise:

	2019	2018
	£	£
Severance payments	27,252	28,673
	27,252	28,673

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	198	195
Teaching support	113	82
Administration	98	118
Management	18	16
	427	411

**THE ATHELSTAN TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. STAFF COSTS (CONTINUED)

b. Staff numbers (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Teachers	163	174
Teaching support	55	47
Administration	54	64
Management	17	17
	289	302

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	5	2
In the band £70,001 - £80,000	4	3
In the band £80,001 - £90,000	-	1
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	-	1

d. Key management personnel

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 £366,939 (2018: £437,476).

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

**THE ATHELSTAN TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. CENTRAL SERVICES

The Academy 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 Academy Trust charges for these services on the following basis:

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

The actual amounts charged during the year were as follows:

	2019	2018
	£	£
Malmesbury School	159,886	52,753
The Dean Academy	162,609	167,406
Bradon Forest School	133,384	82,082
TOTAL	455,879	302,241

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any benefits in kind (2018 - £NIL).

Headteachers and Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of remuneration received by T Gilson during his time as a trustee was: Remuneration £45,000 - £50,000 (2018: £110,000 - £115,000), Employer's pension contributions £5,000 - £10,000 (2018: £15,000 - £20,000).

During the year ended 31 August 2019, expenses totalling £Nil were reimbursed or paid directly to Trustees (2018 - £3,707 to 3 Trustees).

13. TRUSTEES' AND OFFICERS' INSURANCE

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

**THE ATHELSTAN TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

14. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant and other machinery £	Motor vehicles £	Total £
COST OR VALUATION				
At 1 September 2018	22,296,632	305,399	41,929	22,643,960
Additions	-	81,766	-	81,766
At 31 August 2019	<u>22,296,632</u>	<u>387,165</u>	<u>41,929</u>	<u>22,725,726</u>
DEPRECIATION				
At 1 September 2018	1,213,338	220,759	33,127	1,467,224
Charge for the year	385,009	47,269	3,027	435,305
At 31 August 2019	<u>1,598,347</u>	<u>268,028</u>	<u>36,154</u>	<u>1,902,529</u>
NET BOOK VALUE				
At 31 August 2019	<u>20,698,285</u>	<u>119,137</u>	<u>5,775</u>	<u>20,823,197</u>
At 31 August 2018	<u>21,083,294</u>	<u>84,640</u>	<u>8,802</u>	<u>21,176,736</u>

15. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	30,498	14,431
VAT repayable	113,424	23,852
Prepayments and accrued income	265,852	301,581
	<u>409,774</u>	<u>339,864</u>

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FOR THE YEAR ENDED 31 AUGUST 2019**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	77,148	52,696
Other taxation and social security	225,090	229,061
Other creditors	229,857	225,926
Accruals and deferred income	429,393	510,249
	<u>961,488</u>	<u>1,017,932</u>
	2019 £	2018 £
DEFERRED INCOME		
Deferred income at 1 September	253,801	174,355
Resources deferred during the year	185,605	253,801
Amounts released from previous periods	(253,801)	(174,355)
Deferred income at 31 August	<u>185,605</u>	<u>253,801</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance from the ESFA and educational visits to be spent in the 2018/19 academic year.

17. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	<u>1,900,306</u>	<u>1,779,717</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(298,587)</u>	<u>(249,063)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash at hand in hand, trade debtors, other debtors and accrued income.

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

**THE ATHELSTAN TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	692,029	987,887	(674,948)	-	-	1,004,968
RESTRICTED FUNDS						
General Annual Grant	13,938	13,798,040	(13,811,978)	-	-	-
High Needs	-	517,693	(517,693)	-	-	-
Pupil Premium	-	409,137	(409,137)	-	-	-
YPSS	-	123,170	(123,170)	-	-	-
Other LA funding	-	136,988	(136,988)	-	-	-
Teaching school	5,109	100,299	(85,531)	-	-	19,877
Other restricted funds	-	90,788	(87,213)	-	-	3,575
Malmesbury DfE/ESFA Capital grants	-	-	(10,594)	10,594	-	-
Dean Academy CIF/DFC Grant	64,039	-	(4,311)	(59,728)	-	-
Bradon DfE/EFA Capital grants	175,893	-	(203,564)	27,671	-	-
Other DfE/ESFA grants	-	267,937	(267,937)	-	-	-
Pension reserve	(2,945,000)	-	(352,000)	-	(2,049,000)	(5,346,000)
	(2,686,021)	15,444,052	(16,010,116)	(21,463)	(2,049,000)	(5,322,548)

**THE ATHELSTAN TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion & business combination	19,183,934	-	(350,620)	-	-	18,833,314
Fixed assets purchased from GAG and restricted funds	11,902	-	(10,630)	-	-	1,272
DfE/ESFA Capital grants	45,448	231,403	(31,580)	21,463	-	266,734
SI06 Grant	909,915	-	(18,889)	-	-	891,026
Transfer from Local Authorities	355,520	-	(8,080)	-	-	347,440
Donations	170	-	(170)	-	-	-
PSBP2 Grant	678,766	-	(15,336)	-	-	663,430
	<u>21,185,655</u>	<u>231,403</u>	<u>(435,305)</u>	<u>21,463</u>	<u>-</u>	<u>21,003,216</u>
TOTAL RESTRICTED FUNDS	<u>18,499,634</u>	<u>15,675,455</u>	<u>(16,445,421)</u>	<u>-</u>	<u>(2,049,000)</u>	<u>15,680,668</u>
TOTAL FUNDS	<u><u>19,191,663</u></u>	<u><u>16,663,342</u></u>	<u><u>(17,120,369)</u></u>	<u><u>-</u></u>	<u><u>(2,049,000)</u></u>	<u><u>16,685,636</u></u>

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

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

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.

18. STATEMENT OF FUNDS (CONTINUED)

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 relates to the grants for specific purposes.

Teaching school funding comprises grants and other monies received for the purpose of training teachers.

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

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

Pension reserve – This 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.

RESTRICTED FIXED ASSET FUNDS

Fixed assets on conversion and the transfer from Local Authorities 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.

PSPB2 grant relates to funding received from the ESFA in order to fund a new Food Technology building for Bradon Forest.

TRANSFERS BETWEEN FUNDS

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

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18. STATEMENT OF FUNDS (CONTINUED)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Malmesbury School	501,701	328,109
The Dean School	198,463	295,143
Bradon Forest School	377,749	327,756
Central	121,607	-
Total before fixed asset funds and pension reserve	1,199,520	951,008
Restricted fixed asset fund	21,003,216	21,185,655
Pension reserve	(5,346,000)	(2,945,000)
TOTAL	16,856,736	19,191,663

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 2019 £	Total 2018 £
Malmesbury School	4,655,080	676,810	306,340	1,136,873	6,775,103	6,669,519
The Dean Academy	2,308,568	924,603	156,010	590,942	3,980,123	4,001,320
Bradon Forest School	3,273,928	688,930	229,876	1,135,864	5,328,598	5,035,565
Central	117,312	126,954	936	172,972	418,174	414,804
	10,354,888	2,417,297	693,162	3,036,651	16,501,998	16,121,208

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

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General Funds	672,654	735,332	(706,165)	(9,792)	-	692,029
RESTRICTED FUNDS						
General Annual Grant	3,468	13,603,167	(13,592,697)	-	-	13,938
High Needs	-	357,399	(357,399)	-	-	-
Pupil Premium	-	436,112	(436,112)	-	-	-
YPSS	34,070	110,600	(144,670)	-	-	-
Other LA funding	-	290,709	(290,709)	-	-	-
Teaching school	-	117,168	(121,851)	9,792	-	5,109
Other restricted funds	-	154,462	(154,462)	-	-	-
Malmesbury DfE/ESFA Capital grants	26,118	27,006	(48,191)	(4,933)	-	-
Dean Academy CIF/DFC Grant	141,272	15,357	(82,905)	(9,685)	-	64,039
Bradon DfE/EFA Capital grants	607	404,340	(214,398)	(14,656)	-	175,893
Other DfE/ESFA grants	-	99,989	(99,989)	-	-	-
Pension reserve	(3,626,000)	-	(423,000)	-	1,104,000	(2,945,000)
	<u>(3,420,465)</u>	<u>15,616,309</u>	<u>(15,966,383)</u>	<u>(19,482)</u>	<u>1,104,000</u>	<u>(2,686,021)</u>

**THE ATHELSTAN TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion & business combination	19,538,083	-	(354,149)	-	-	19,183,934
Fixed assets purchased from GAG and restricted funds	25,363	-	(13,461)	-	-	11,902
DfE/ESFA Capital grants	42,421	-	(26,247)	29,274	-	45,448
SI06 Grant	928,804	-	(18,889)	-	-	909,915
Transfer from Local Authorities	363,600	-	(8,080)	-	-	355,520
Donations	2,280	-	(2,110)	-	-	170
PSBP2 Grant	-	684,337	(5,571)	-	-	678,766
	<u>20,900,551</u>	<u>684,337</u>	<u>(428,507)</u>	<u>29,274</u>	<u>-</u>	<u>21,185,655</u>
TOTAL RESTRICTED FUNDS	<u>17,480,086</u>	<u>16,300,646</u>	<u>(16,394,890)</u>	<u>9,792</u>	<u>1,104,000</u>	<u>18,499,634</u>
TOTAL FUNDS	<u><u>18,152,740</u></u>	<u><u>17,035,978</u></u>	<u><u>(17,101,055)</u></u>	<u><u>-</u></u>	<u><u>1,104,000</u></u>	<u><u>19,191,663</u></u>

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	20,823,197	20,823,197
Current assets	1,177,572	812,336	180,019	2,169,927
Creditors due within one year	(172,604)	(788,884)	-	(961,488)
Provisions for liabilities and charges	-	(5,346,000)	-	(5,346,000)
TOTAL	<u>1,004,968</u>	<u>(5,322,548)</u>	<u>21,003,216</u>	<u>16,685,636</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	21,176,736	21,176,736
Current assets	692,029	1,276,911	8,919	1,977,859
Creditors due within one year	-	(1,017,932)	-	(1,017,932)
Provisions for liabilities and charges	-	(2,945,000)	-	(2,945,000)
TOTAL	<u>692,029</u>	<u>(2,686,021)</u>	<u>21,185,655</u>	<u>19,191,663</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the year (as per statement of financial activities)	(457,027)	(65,077)
ADJUSTMENTS FOR:		
Depreciation charges	435,305	428,507
Capital grants received	(231,403)	(1,131,040)
Interest received	(1,308)	(1,111)
Defined benefit pension scheme cost less contributions payable	266,000	329,000
Defined benefit pension scheme finance cost	86,000	94,000
(Increase)/decrease in debtors	(69,910)	(57,460)
Increase/(decrease) in creditors	(56,444)	41,300
NET CASH USED IN OPERATING ACTIVITIES	(28,787)	(361,881)

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2019 £	2018 £
Interest received	1,308	1,111
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,308	1,111

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Purchase of tangible fixed assets	(81,766)	(704,692)
Capital grants from DfE Group	231,403	1,131,040
NET CASH PROVIDED BY INVESTING ACTIVITIES	149,637	426,348

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	1,760,153	1,637,995
TOTAL CASH AND CASH EQUIVALENTS	1,760,153	1,637,995

24. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (CONTINUED)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the TPS has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £1,160,281 (2018 - £1,171,011).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £762,895 (2018 - £764,000), of which employer's contributions totalled £630,219 (2018 - £630,000) and employees' contributions totalled £ 132,676 (2018 - £134,000). The agreed contribution rates for future years are 19.7 - 29.3% per cent for employers and 5.5 - 9.9% per cent 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

	2019	2018
	%	%
Rate of increase in salaries	2.60	2.70
Rate of increase for pensions in payment / inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80

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

	2019	2018
<i>Retiring today</i>		
Males	21.9 years	22.4 years
Females	24.2 years	24.6 years
<i>Retiring in 20 years</i>		
Males	23.2 years	24.0 years
Females	25.8 years	26.4 years

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. PENSION COMMITMENTS (CONTINUED)

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	1,817	1,253
Salary increase rate +0.5%	289	252
Pension increase rate +0.5%	1,491	980

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	6,136,050	5,393,890
Bonds	1,556,900	1,242,010
Property	1,012,390	875,800
Cash an other liquid assets	177,660	153,300
Total market value of assets	8,883,000	7,665,000

The actual return on scheme assets was £534,000 (2018 - £321,000).

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

	2019	2018
	£	£
Current service cost	(862,000)	(959,000)
Past service cost	(32,000)	-
Interest income	224,000	171,000
Interest cost	(310,000)	(265,000)
Total	(980,000)	(1,053,000)

24. PENSION COMMITMENTS (CONTINUED)

Changes in the present value of the defined benefit obligations were as follows:

	2019	2018
	£	£
Opening defined benefit obligation	10,610,000	10,108,000
Current service cost	862,000	959,000
Interest cost	310,000	265,000
Employee contributions	130,000	134,000
Actuarial gains	2,359,000	(783,000)
Benefits paid	(74,000)	(73,000)
Past service cost	32,000	-
Closing defined benefit obligation	14,229,000	10,610,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019	2018
	£	£
Opening fair value of scheme assets	7,665,000	6,482,000
Interest income	224,000	171,000
Actuarial gains	310,000	321,000
Employer contributions	628,000	630,000
Employee contributions	130,000	134,000
Benefits paid	(74,000)	(73,000)
Closing fair value of scheme assets	8,883,000	7,665,000

**THE ATHELSTAN TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
AMOUNTS PAYABLE:		
Not later than 1 year	811,251	781,993
Later than 1 year and not later than 5 years	3,175,097	2,838,912
Later than 5 years	5,852,668	6,608,153
Total	9,839,016	10,229,058

The Academy Trust 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.

26. 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.

27. GENERAL INFORMATION

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

28. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

29. TEACHING SCHOOL TRADING ACCOUNT

	2019 £	2019 £	2018 £	2018 £
INCOME				
DIRECT INCOME				
Teaching school grants	86,477		105,967	
Donations	-		300	
Income from providing teaching courses	98,560		21,998	
Grants to further teaching school activities	26,153		10,901	
TOTAL INCOME		211,190		139,166
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	99,828		85,792	
Educational supplies	2,793		7,088	
Training and course fees	46,130		15,127	
Supply teachers	180		9,330	
Security and transport	3,021		3,090	
Premises	6,000		5,275	
Technology costs	3,350		1,887	
Other costs	4,037		5,430	
Governance	475		895	
TOTAL EXPENDITURE		165,814		133,914
TRANSFERS BETWEEN FUNDS EXCLUDING DEPRECIATION		(30,608)		(143)
SURPLUS FROM ALL SOURCES		14,768		5,109
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2018		5,109		-
TEACHING SCHOOL BALANCES AT 31 AUGUST 2019		19,877		5,109