

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Members

J Clark
C Checkley
T Wright
P Finn
A Purcell

Trustees and Directors L Bolton, Executive Head Teacher¹
T Boulton (resigned 15 March 2018)
C Checkley, Chair of Trustees (from 21 September 2017)¹
P Finn¹
H Holland
E Holton (resigned 15 March 2018)
R Quick, Chair of Trustees (from 26 April 2017 to 21 September 2017)¹
T Wright
J Bullock
M Haines
K Austin (resigned 15 March 2018)
K Jamieson (resigned 15 March 2018)
L Palmer (resigned 15 March 2018)

¹ Resources Committee

Company registered number 08024396

Company name The Mead Academy Trust

Principal and registered office The Mead Community Primary School
Hackett Place
Hilperton
Trowbridge
Wiltshire
BA14 7GN

Strategic leadership group L Bolton, Executive Headteacher
L Palmer, Head of Teaching School
K Jamieson, Head of Inclusion/SEN
E Holton, Head of The Mead School
T Boulton, Head of Castle Mead School
K Austin, Head of River Mead School
G Shanahan, School Business Manager
S Pedler, Business Manager
M Jacob, School Business Manager
K Thain, School Business Manager

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

Advisers (continued)

Independent auditors Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Bankers Lloyds Bank
64 Fore Street
Trowbridge
Wiltshire
BA14 8EU

Solicitors Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operated 3 primary academies in FY17/18 operating across 4 sites, incorporating 4 nurseries, two Complex Needs Resource Bases and The Mead Teaching School. TMAT academies had a combined planned admission number (PAN) of 180 in 2017/18 and had a roll of 951 pupils (Year R to 6) as at July 2018, with an additional 176 children in nursery provision. The split of pupils per academy was as follows:

The Mead Community Primary School	Total on roll = 503		
	Hilperton	PAN = 60	On roll = 413
	Wingfield	PAN = 15	On roll = 90
	Nursery – Hilperton		On roll = 44
	Nursery - Wingfield		On roll = 08
River Mead School	Total on roll = 199	PAN = 45	
	River School (YR – Y6)		On roll = 179
	River Mead Resource Base		On roll = 20
	River Mead Nursery		On roll = 59
Castle Mead School	Total on roll = 249	PAN = 60 (YR, Y1) 30 (Y2-6)	
	Castle Mead (YR – Y6)		On roll = 240
	Castle Mead Resource Base		On roll = 09
	Castle Mead Nursery		On roll = 65

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 Mead Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as The Mead Academy Trust.

Details of the Trustees who served throughout the year and to the date the accounts are approved 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 were no employees who were relevant union officials during the period.

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 £5,000,000 on any one claim.

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

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 May 2012 the Trustees appointed some of those that served the predecessor school (The Mead Community Primary School) to be Trustees of the newly formed Multi Academy Trust.

The Articles of Association 2012 and funding agreement state that the Academy Trust shall have the following Trustees:

- Up to 3 Trustees who are appointed by Members;
- Staff Trustees - provided that the total number of Trustees including the Chief Executive Officer, who are employees of the Company, does not exceed one third of the total number of Trustees;
- Academy Trustees appointed under Article 51 or Article 52 (from Academy Advisory Groups);
- The Chief Executive Officer (Executive Head Teacher), who is treated for all purposes as being an ex officio Governor;
- A minimum of 2 Parent Trustees who are elected or appointed from amongst the number of parent members of the Academy Advisory Groups;
- Up to 1 Trustee appointed under Article 50AA by the Diocese of Salisbury Educational Trust; and
- Up to 3 Co-opted Trustees (not an employee if the number of Trustees exceeds one third of the total number of Trustees, including the Chief Executive Officer).

A review of governance arrangements within the academic year, in line with changes required as identified within the Academies Financial Handbook 2017, has taken place. Specifically, Staff Trustees have been removed from the Trustees Board, and a level of independence achieved. The Trust Board now comprises of:

- 3 Trustees, as appointed by Members - the Chair of Trustees (also a Member), the Chair of Resources Committee and the Academy Advisor (Resources Committee and Member);
- 2 Chairs of Academy Advisory Groups;
- 2 School Improvement Leads;
- 2 Parent Trustees; and
- The Chief Executive Officer.

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

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training programme.

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

There is a Governance Development Day organised each year which includes training sessions to keep the Board Members and Trustees updated on relevant developments impacting on their roles and responsibilities. Academy Advisory Groups also hold a Governance Day each year for each of the three academy schools.

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

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees/Groups for ratification. It monitors the activities of the Committees/Groups through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The Board of Trustees has one subordinate Committee, which is the Resources Committee. This meets as scheduled nine times a year, with additional meetings as necessary. The Resources Committee is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with regulatory requirements and reporting, receiving scrutiny reports from the service providers, Wiltshire Council Accounting and Business Support Team, and drafting the annual budget including setting staffing levels. It also incorporates the role of an Audit Committee.

Each Academy School within the Trust also has an Academy Advisory Group that reports to the Board of Trustees.

The following decisions are reserved to the Board of Trustees:

- To consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure.
- To appoint or remove the Chairman and/or Vice Chairman.
- To appoint the Chief Executive Officer and Secretary to the Trustees.
- To approve the Annual Development Plan and budget.

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

The Members and Board of Trustees have devolved responsibility for day to day management of the Academy Trust to the Chief Executive Officer, and the Senior Leadership Group (SLG). The SLG comprises the Executive Head Teacher, Heads of School, Deputy Head Teachers, Head of Teaching School, Head of Inclusion and the School Business Managers. The SLG implement the policies laid down by the Trustees and report back to them on performance.

The Academy Trust has a leadership structure which consists of the Trustees, the SLG, Senior Teachers and Subject Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The SLG controls the Academy Trust at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Chief Executive Officer, School Business Managers and the Resources Committee, are responsible for the authorisation of spending within agreed budgets, a summary of this is in the Financial Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Financial Scheme of Delegation. The Chief Executive Officer with Heads of School, are responsible for the appointment of staff, though appointment panels for strategic leadership posts always include a Trustee.

The Chief Executive Officer is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings, and in line with the agreed Performance Management procedures. The Chief Executive Head Teacher's Performance Management is carried out by a Sub-Committee of three Trustees and any associated pay increases agreed by Resources Committee and the Board of Trustees.

The Trustees benchmark against pay levels in other Academy Trusts of a similar size. The benchmark is the mid-point of the range paid for similar roles adjusting for a weighting for any additional responsibilities.

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of The Mead Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

At The Mead Academy Trust, our purpose is:

- To work and learn together as a family of schools where staff work for and on behalf of each other and all of the children in our care;
- To ensure our schools are places where there are expectations of excellence, where individuals are valued, achievements celebrated and where children are happy and safe;
- To establish a community where children and staff enjoy coming to school every day and take pride in moving their schools ever forward;
- To encourage, support and develop every child so that they reach their full potential; and
- To prepare children to live responsibly and peacefully in the spirit of understanding, tolerance, equality and friendship.

The aims of The Mead Academy Trust during the year ended 31 August 2018 are summarised below:

- To secure rapid improvement of Rive Mead School from an Ofsted category of Requires Improvement;
- To continue to raise the standard of educational attainment and achievement of all pupils;
- To provide a broad and balanced curriculum, including extra curricular activities;
- To develop children to be more effective learners;
- To develop the Academy Trust sites so that they enable students to achieve their full potential;
- To ensure that every child enjoys the same high-quality education in terms of resourcing, personalised learning and care;
- To improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To fulfil the role of a Teaching School;
- To ensure effective professional learning from ITE through to Leadership development;
- To develop greater coherence, clarity and effectiveness in school systems within and between Trust schools;
- To comply with all appropriate statutory and curriculum requirements;
- To develop the Trust's capacity to manage change; and
- To conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

The Mead Academy Trust Key Strategic Priorities for 2017-2018 were:

Purposeful Assessment - Focussed on improving and evaluating children's outcomes: with explicit reference to understanding what the children have learnt, and in particular any who need additional support or practice.

Inspirational Curriculum - Shaping enriched and memorable experiences using effective teaching sequences that are purposeful, focussed on learning and have an end goal in mind, ensuring excellent progress in all subjects.

Effective Teaching - Developing practice and theory together to enhance teachers' subject knowledge and challenge their understanding of how children learn and how constructive pupil-teacher relationships are developed.

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

Maximising Learning Outcomes - An expectation that all pupils reach a minimum (but high) level of knowledge of the same content with a focus on reducing the attainment gap for disadvantaged learners. Extension for the highest attainers comes through greater depth rather than breadth or acceleration.

Early Learners - Investing in developing strong early years practice with a focus on purposeful play supported by sensitive and well informed adults.

Courageous Leadership - Effective leaders have a clearly communicated vision and ethos that is focussed on shaping inspirational learning, driving excellent teaching and securing high outcomes. This means taking risks and learning from the outcomes; changing approaches if existing or new ones do not work, and looking externally to find evidence and best practice to learn from. All teachers contribute to, and benefit from, this culture of development.

Responsible Growth Strategy - Recognising that where schools work even more closely together, the shared accountability and reduction in bureaucratic barriers, along with a shared ethos and understanding of each other's expertise and culture assures a consistent, educational experience.

Key activities and targets were identified in each School's Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding.

The Trust Improvement focusses identified for the year included:

- Securing an improvement in Ofsted grading at River Mead School from Requires Improvement category to Good;
- Securing a successful completion of extension to new provision at Castle Mead School (with purpose built CNRB and nursery);
- Establishment of nursery provision at The Mead Primary School;
- Transfer of the YMCA nursery at River Mead into the Trust;
- Implementation of Thrive approach to support the social, emotional and mental health of children within the Trust; and
- Pilot a High Needs early intervention SEMH project.

Public Benefit

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

The Academy Trust provides 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 communities in which our schools are situated.

As an Academy Trust we have a duty to support other schools. We are a National Teaching School and support other schools and academies through the provision of professional development, the training of new entrants to the profession, school to school support and research.

STRATEGIC REPORT

Achievements and Performance

The Trust is in its sixth year and has grown from one Academy to now include three schools operating over four sites:

- The Mead Community Primary School, has been awarded successive outstanding grades by Ofsted
- Castle Mead School – new build school opened September 2014, 10 class extension opened sept 2017- achieved a Good Ofsted rating in June 2017, and
- River Mead –Rebrokered to The Trust in September 2014, progressed from Inadequate to Requires Improvement Ofsted rating 2016.

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

Achievements during this year include:

a) Mead Community Primary School:

- Opening of Preschool Provision at The Mead Hilperton site with a Purpose Built Nursery;
- Restructuring classes at The Mead Wingfield Site to include Pre-School provision;
- Science and enrichment focus;
- Astro-pi Code running on the International Space Station; and
- School performances at the Wiltshire Music Centre.

b) Castle Mead School:

- New classes and building extension;
- New Complex Needs Resource Base Centre;
- Early Years provision alongside the Nursery;
- Creating and developing outdoor play areas;
- Improved Phonics results via the Read Write Inc Phonics Programme; and
- Joining a national initiative for the planting of a memorial wood to commemorate the 100th Armistice Anniversary.

c) River Mead School:

- Establishing a successful New Leadership Team;
- Integration of the YMCA Nursery and staff within the River Mead School;
- CIF Building works – providing a new roof to the Nursery Building;
- Developing “Enhanced” and ‘Specialist’ Provision and the Resource Base; offering opportunities for children to access for example, Counselling, ELSA, Play Therapy, Forest Schools on site, Equine Therapy, THRIVE sessions, Nurture Breakfasts, Specialist Art provision, Yoga and additional swimming;
- Links with the wider River Mead Community, for example ‘Friends of River Mead’, Wiltshire Family Learning initiatives; and
- Improved Results and Outcomes for all pupils; with overall improvements in KS1, KS2 and EYFS.

d) The Mead Teaching School:

- Facilitation of Continuing Professional Development sessions, involving 54 sessions for staff within 5.5 days; and delivery of 12 training programmes for local schools;
- Initial Teacher Training Programme for both Primary and Secondary Graduate Teachers – All 17 graduate teachers completed their PGCE and all secured a post for the start of their NQT year;
- School to School Support – Brokered 80 days of School to School Support; supporting 8 schools; and
- Maths Counts Pilot – successful participation resulting in a positive effect for the general maths skills of children. The award of an MBE to Sheila Claridge, an employee of The Trust, and a key figure in the Maths Counts trial.

e) Inclusion:

- The Harbour Programme Pilot - a model of multi-professional early intervention which has had positive outcomes for the children, families and schools involved - and will be working with a greater number of CSL schools in 2018-19;
- Establishment of a second Complex Needs Resource Base at Castle Mead - initially for children in KS1;
- Nursery provision - members of the Nursery teams with skills and experience in SEND and Safeguarding who support within their own teams and work to the SENCO/SLT in these areas;
- Thrive licensed practitioners in our schools enabling identification with precision a child's emotional developmental needs resulting in access to the most appropriate intervention; A common 'emotional language' amongst those; Data evidence of children's emotional developmental progress alongside potentially minimal academic progress; Useful and easily accessible resources and strategies to use with children, and; Informing the revision of transition processes for all the children into the new academic year 2018-19.

Progress against Trust Strategic Priorities 2017-2018

Purposeful Assessment	<p>Focussed on improving and evaluating children's outcomes: with explicit reference to understanding what the children have learnt and in particular who needs any additional support or practice</p>
Successes	<p><u>Summative assessments</u> - cycle secured; classteachers and middle leaders confidently interrogating data <u>Thrive assessments</u> supporting provision planning for children to support their social and emotional development and wellbeing</p>
Areas for continued focus/development	<p>1. <u>Assessment led learning/Responsive teaching</u> – securing approaches to 'No marking' marking. Two-fold purpose:</p> <ul style="list-style-type: none"> ○ Clarity of next steps for children and adults – ensuring precision in teaching ○ Reducing workload <p>Across TMT small scale trials underway of 'Comparative judgement', Plickrs. SW School Improvement MAT action research group focus for 18/19.</p> <p>2. <u>Personalised learning journeys</u> and <u>engagement profiles</u> for children working well below their year group's programme of study (children with EHCPs/attending CNRB)</p>
Inspirational Curriculum	<p>Shaping enriched and memorable experiences using effective teaching sequences that are purposeful, focussed on learning and have an end goal in mind, ensuring excellent progress in all subjects.</p>
Successes	<p><u>Science and technology year</u> – enrichment opportunities – enabled through high quality professional learning and collaborative leadership approaches. <u>Successful collaborative approaches to curriculum planning</u> for computing/science led through workload challenge project (published by DFE) <u>Engaging learning underpinned by core texts</u> – collaborative planning has been enabled <u>Trust-wide implementation of coherent curriculum programmes</u> (MNP, RWI phonics, Storymaking (writing), Reading Reconsidered, Reading Spine) ensures consistency of approach from school to school, class to class. Enables efficiencies in training, resourcing etc. <u>'Teaching backwards'</u> approach – outcomes led learning.</p>
Areas for continued focus/development	<p>1. <u>Closing the word gap</u> – vocabulary instruction (tier 2 words) 2. <u>Implementation of TMT Poetry Spine</u> – to ensure a progressive entitlement of provision across all year groups 3. <u>Citizenship year 18/19</u> – pupil leadership/voice, renewed focus on behaviour (eg. calm consistent adults, scripted conversations for challenging interactions); focus on International, cultural, environmental issues; pupil wellbeing</p>

Effective Teaching	Developing practice and theory together to enhance teacher's subject knowledge and challenge their understanding of how children learn and how constructive pupil-teacher relationships are developed
Maximising Learning Outcomes	An expectation that all pupils reach a minimum (but high) level of knowledge of the same content with a focus on reducing the attainment gap for disadvantaged learners. Extension for the highest attainers comes through greater depth rather than breadth or acceleration.
Successes	<p><u>Language Structures</u> continuing to embed across all year groups/curriculum areas</p> <p><u>High quality CPD from MNP and RWI</u> to support the implementation of core approaches.</p> <p><u>Thrive training and Multi-agency formulations</u> (through the 'Harbour' project has shaped ways of working with vulnerable learners that is enabling engagement/reducing exclusions in many cases <u>Data systems evidence more children securing AREs</u> over time</p> <p><u>Engagement in SW RSC/DFE Disadvantaged Learner Project</u> – working with Three Bridges Primary School (Southall) has supported the establishment of lesson study as a core approach to professional learning with the purpose of impacting on learning outcomes</p>
Areas for continued focus/development	<ol style="list-style-type: none"> 1. <u>Responsive teaching for struggling learners</u> that enables them to secure confident knowledge and understanding (mastery) in their age-related Programme of Study through precise teaching with opportunities for intelligent practice and application of learning. 2. <u>Ensuring cognitive stretch for advanced learners</u> through tasks that support higher order skills (create, evaluate, synthesise) 3. <u>Implement Lesson Study</u> – as a core approach to professional learning – with an initial focus on metacognition in MNP

Early Learners	Investing in developing strong early years practice with a focus on purposeful play supported by sensitive and well informed adults.
Successes	Successful integration of nursery provision at River Mead and establishment of new provisions at Hilperton and Wingfield. Recognised as good practice 'worth sharing' by CASP – awaiting visit from Wiltshire's Early Years leader.
Areas for continued focus/development	1. <u>Integration of YR/N provisions</u> where this will enable opportunities to enhance provision

Courageous Leadership	Effective leaders have a clearly communicated vision and ethos that is focussed on shaping inspirational learning, driving excellent teaching and securing high outcomes. This means taking risks and learning from the outcomes; changing approaches if existing or new ones do not work and looking externally to find evidence and best practice to learn from. All leaders contribute to, and benefit from, this culture of development.
Successes	Andy Buck leadership development programme (and 1:1 coaching of EHT) has been a powerful driver for increasing the capacity of Strategic Leadership team
Areas for continued focus/development	<ol style="list-style-type: none"> <u>1. Development of a clearer appraisal framework and associated career stage progression, including the use of incremental coaching to support professional development</u> <u>2. Leadership development for Subject leaders and Senior teachers</u>

Responsible Growth Strategy	Recognising that where schools work even more closely together, the shared accountability and reduction in bureaucratic barriers, along with a shared ethos and understanding of each other's expertise and culture, ensures a consistent educational experience
Successes	Expansion to lower age range across all sites. Nursery provisions have secured growth in numbers. High numbers transferring from school nurseries into reception classes in September (eg 23 out of 30 starters at River Mead attended our nursery).
Areas for continued focus/development	1. <u>Remodelling business services team</u>

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

Key Performance Indicators

The Trust's key accountability measures are termly/annual measures of attainment and progress for all pupils and groups, including performance data at EYFS, Year 1, KS1 and KS2 standardised assessments.

The following KPI's are additionally used monthly to monitor the Academy Trust's performance:

	TARGET	ACTUAL
Pupil numbers – The Mead Hilperton	420 + nursery	413 + 44 nursery
Pupil numbers – The Mead Wingfield	90	90 + 8 nursery
Pupil numbers – Castle Mead School	272	240 + 9 RB + 65 nursery
Pupil numbers – River Mead School	210 + 20 RB + nursery	199 + 20 RB + 59 nursery
	PLANNED CONTINGENCY	ACTUAL CLOSEDOWN POSITION
Forecast of Out-turn £ The Teaching School	£13,221	£63,190
Forecast of Out-Turn £ The Mead	£16,380	£124,348
Forecast of Out-Turn £ Castle Mead	£5,636	£104,895
Forecast of Out-Turn £ River Mead	£66,631	£83,398

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 Statement of Accounting Policies.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust also receives grants (ie CIF grant) for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2018, the Academy Trust received total income of £5,918,842 and incurred total expenditure of £5,918,245 (excluding the fixed asset fund and pension reserve). The excess of income over expenditure for the year was £597.

At 31 August 2018 the net book value of fixed assets was £14,267,136 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

Key financial policies adopted or reviewed during the year include the Finance Regulations 2017/2018 which lays out the framework for financial management, including financial responsibilities of the Board, Executive Head Teacher, Heads of Schools, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams, unforeseen emergency, or day to day costs.

The Trust Board requires Academy Schools to maintain an appropriate level of reserves to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance and to deal with fluctuations in pupil numbers.

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

Investment Policy

The Trustees have discussed potential investment opportunities and the requirement to formalise an investment policy. In light of current interest rates and the future liquidity requirements of The Trust, the Trustees have decided that it would not be prudent to invest monies at this time. The policy, therefore, remains under review.

Principal Risks And Uncertainties

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

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

Financial - the Academy Trust is totally reliant on continued Government funding through the ESFA and given the Government's unwillingness to provide equitable and adequate funding to provide the highest quality education possible, this is on-going and a risk that is difficult to mitigate. In the last year the vast majority of the Academy Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practise will remain the same or that public funding will continue at the same levels or on the same terms. Development and provision that is non-statutory is reliant upon accessing further funding through grants and other sources.

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

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

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

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

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

Fraud and mismanagement of funds - The Academy Trust has appointed a Wiltshire Council's Accounting and Business Support Team to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training and on-going support from a Wiltshire Council Accounting and Budget Support Accounting Technician) to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured adequate insurance cover..

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Resource Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

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

FUNDRAISING

The Trust undertakes regular fundraising activities related to nominated charities. It is also supported by the PTAs, organisations which also support the Trust through fundraising events. Grant funding applications made for priority areas.

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

The Academy Trust has been designated as a Teaching School and gains additional funding for its operations.

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming Bath Limited, are willing to continue in office.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 10 December 2018 and signed on the board's behalf by:

**C Checkley
Chair of Trustees**

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that The Mead Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Head Teacher, 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 Mead Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Trustee attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
L Bolton, Executive Head Teacher	5	5
T Boulton	4	5
C Checkley, Chair of Trustees (from 21 September 2017)	5	5
P Finn	4	5
A Purcell	2	5
H Holland	2	5
R Quick, Chair of Trustees (from 26 April 2017 to 21 September 2017)	5	5
T Wright	4	5
J Bullock	1	5
M Haines	4	5
J Clark	0	5

In addition to the above, Board meetings are also regularly attended by the member and staff from the strategic leadership group.

The Board of Trustees have reviewed the operation of the Governance arrangements and are satisfied they are working effectively. In the year the following has been reviewed:

- A review has been carried out of governance arrangements and the Board of Trustees are satisfied that they are working effectively in most cases, but some changes are planned for the year ahead;
- Change in constitution of Members, to exclude the Executive Head Teacher in line with recent guidance from DfE has been achieved;
- Change in the constitution of the Board of Trustees, to exclude those who are employed/staff, in line with recent guidance from DfE has been achieved;
- Some changes to the composition of the Academy Advisory Groups are recommended, including:
 - Additional Parent Academy Advisors are to be appointed to Academy Advisory Groups; and
 - Building additional capacity for the River Mead Academy Advisory Group.
- The use of recruitment systems, Academy Ambassadors and Inspiring Governance, to further strengthen governance; and
- The Articles of Association are to be reviewed and amended in line with DfE guidance.

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

The Resources Committee of the main Board of Trustees is responsible for Finance, Personnel/Staffing, Infrastructure, Premises, Health and Safety, Procurement and Capital Works. Its terms of reference are:

- The Resources Committee is an executive group of The Board of Trustees and receives its mandate from The Board and reports to The Board. The Resources Committee is responsible for resource management of The Academies within The Trust. It also oversees the financial performance of the school and making sure its money is well spent.

The Resources Committee is chaired by one of the Trustees who is responsible for reporting back to The Board of Trustees. The Chair is elected at the beginning of each academic year. The Resources Committee is comprised of a majority of Trustees:

- A Member (minimum of 1);
- Trustees (with specialist knowledge; minimum of 2);
- The Executive Head Teacher (1);
- School Business Manager - Lead on Finance (1);
- School Business Manager - Trust Wide (1);
- School Business Manager - Academy Schools; and
- Co-opted Members approved by The Board of Trustees, as appropriate.

In addition to the scheduled Resources Committee Meetings, other associated Panels within the auspices of the Resources Committee including Staffing Panels, Pay Panel, Appeals Panel of the Pay Panel.

The Resources Committee met 9 times throughout the year, and was attended by Trustees, Academy Advisors and Staff.

Trustee Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
R Quick	7	9
L Bolton	9	9
P Finn	8	9
C Checkley	7	9

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Executive Head Teacher has responsibility for ensuring that the 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 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 Trust has delivered improved value for money during the year by:

- Value for money purchasing;
- Deploying staff effectively;
- Reviewing quality of curriculum provision and quality of teaching;
- Reviewing quality of children's learning to enable children to achieve nationally expected progress; and
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Mead Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

The Board of Trustees has considered the need for a specific internal audit function and has decided that this will be undertaken on an ad hoc basis by individual Trustees who are linked to Trust schools, in addition to:

- The continued appointment of Bishop Fleming as External Auditors;
- Wiltshire Council Accounting and Business Support Team for independent Financial Controls Assurance Reports, and
- Wiltshire Council Accounting and Business Support Team for independent scrutiny, accounting and budget support - approximately monthly visits, to each of the individual schools.

The role that Wiltshire Council performs, includes giving advice on financial matters and performing a range of checks on The Trust's financial systems. In particular the checks carried out in the current period included, the following Financial Control Assurance Reports (FCARs):

- Review of Purchasing – The Mead;
- Review of Purchasing – River Mead;
- Review of Income Processes and Bank Reconciliation – Castle Mead;
- Review of Income Processes and Bank Reconciliation – River Mead;
- Review of Financial Planning/Admin and Budgeting – River Mead;
- Review of Financial Planning/Admin and Budgeting – Castle Mead;
- Review of Statutory Information Required on The Trust Website – The Mead;
- Review of Payroll Process – The Mead;
- Review of Payroll Process – Castle Mead;
- Review of Payroll Process - River Mead; and
- Review of Lettings and School Fund Account – Castle Mead.

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

The Wiltshire Council Accounting and Business Support Team, reports to the Board of Trustees, through the Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities, providing details of any material control issues arising as a result of the audit work, and make recommendations as to remedial action.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Head Teacher 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 auditor - Bishop Fleming;
- the financial management and governance self-assessment process;
- The work of the Business Services Managers within the Trust who have responsibility for the development and maintenance of the internal control framework;
- The work of Wiltshire Council Accounting and Business Support Team; and
- Changes to the Academies Financial Handbook.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Wiltshire Council and a plan to address any weaknesses that are identified and ensure continuous improvement of the system is in place.

Approved by order of the Members of the Board of Trustees on 10 December 2018 and signed on their behalf, by:

C Checkley
Chair of Trustees

L Bolton
Accounting Officer

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Mead Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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

L Bolton
Accounting Officer

Date: 10 December 2018

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

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

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

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

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

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

C Checkley
Chair of Trustees

Date: 10 December 2018

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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 MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OTHER INFORMATION

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

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

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 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.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy 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.

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

Simon Morrison FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 23 June 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Mead Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF THE MEAD ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Mead Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy 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 MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Simon Morrison FCA (Reporting Accountant)

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	10,107	53,971	2,404,982	2,469,060	266,849
Charitable activities	5	682,854	4,948,522	-	5,631,376	5,001,703
Teaching schools	29	-	178,835	-	178,835	321,053
Other trading activities	3	44,095	-	-	44,095	126,510
Investments	4	458	-	-	458	706
TOTAL INCOME		737,514	5,181,328	2,404,982	8,323,824	5,716,821
EXPENDITURE ON:						
Charitable activities:						
Teaching school		-	155,683	-	155,683	347,399
Other charitable activities		780,891	5,340,671	357,621	6,479,183	5,834,367
TOTAL EXPENDITURE	6	780,891	5,496,354	357,621	6,634,866	6,181,766
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	(43,377)	(315,026)	2,047,361	1,688,958	(464,945)
		-	(76,045)	76,045	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(43,377)	(391,071)	2,123,406	1,688,958	(464,945)
Actuarial gains on defined benefit pension schemes	24	-	657,000	-	657,000	1,405,000
NET MOVEMENT IN FUNDS		(43,377)	265,929	2,123,406	2,345,958	940,055
RECONCILIATION OF FUNDS:						
Total funds brought forward		238,511	(538,232)	12,412,276	12,112,555	11,172,500
TOTAL FUNDS CARRIED FORWARD		195,134	(272,303)	14,535,682	14,458,513	12,112,555

The notes on pages 30 to 56 form part of these financial statements.

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08024396

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		14,267,136		12,424,853
CURRENT ASSETS					
Debtors	15	201,527		177,670	
Cash at bank and in hand		830,920		664,078	
			1,032,447	841,748	
CREDITORS: amounts falling due within one year	16	(353,070)		(376,796)	
NET CURRENT ASSETS			679,377		464,952
TOTAL ASSETS LESS CURRENT LIABILITIES			14,946,513		12,889,805
CREDITORS: amounts falling due after more than one year	17		(35,000)		(26,250)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			14,911,513		12,863,555
Defined benefit pension scheme liability	24		(453,000)		(751,000)
NET ASSETS			14,458,513		12,112,555
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	19	180,697		212,768	
Fixed asset funds	19	14,535,682		12,412,276	
			14,716,379	12,625,044	
Restricted funds excluding pension liability					
Pension reserve		(453,000)		(751,000)	
Total restricted funds			14,263,379		11,874,044
Unrestricted funds	19		195,134		238,511
TOTAL FUNDS			14,458,513		12,112,555

The financial statements on pages 27 to 56 were approved by the Trustees, and authorised for issue, on 10 December 2018 and are signed on their behalf, by:

C Checkley
Chair of Trustees

The notes on pages 30 to 56 form part of these financial statements.

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	<u>20,939</u>	<u>(58,712)</u>
Cash flows from investing activities:			
Interest received		458	706
Purchase of tangible fixed assets		(185,775)	(507,986)
Capital grants from DfE/ESFA and other capital income		<u>331,219</u>	<u>141,854</u>
Net cash provided by/(used in) investing activities		<u>145,902</u>	<u>(365,426)</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		<u>664,079</u>	1,088,217
Cash and cash equivalents carried forward	22	<u><u>830,920</u></u>	<u><u>664,079</u></u>

The notes on pages 30 to 56 form part of these financial statements.

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES

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

1.1 GENERAL INFORMATION

The Mead Academy Trust is a company limited by guarantee incorporated in England and Wales. The registered office of the company is The Mead Community Primary School, Hackett Place, Hilperton, Trowbridge, Wiltshire, BA14 7GN.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.3 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

**THE MEAD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

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

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

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

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

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

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

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

1.5 EXPENDITURE

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

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

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

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

Long term leasehold land	-	over the term of the lease
Leasehold property	-	2% straight line
Furniture and fixtures	-	10% straight line
Computer equipment	-	33% straight line

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 that has a notice period of less than 30 days.

1.9 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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. Provisions are measured at the best estimate of the amounts required to settle the obligation.

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.10 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**THE MEAD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

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

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

1.13 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 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.

1.14 OPERATING LEASES

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

**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	10,107	53,971	2,073,763	2,137,841	124,995
Capital Grants	-	-	331,219	331,219	141,854
	<u>10,107</u>	<u>53,971</u>	<u>2,404,982</u>	<u>2,469,060</u>	<u>266,849</u>
Total 2017	<u>7,357</u>	<u>69,029</u>	<u>190,463</u>	<u>266,849</u>	

**THE MEAD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	25,773	-	25,773	19,997
Other schools	11,049	-	11,049	86,821
Other	7,273	-	7,273	19,692
	<u>44,095</u>	<u>-</u>	<u>44,095</u>	<u>126,510</u>
Total 2017	<u>126,510</u>	<u>-</u>	<u>126,510</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	458	-	458	706
	<u>458</u>	<u>-</u>	<u>458</u>	<u>706</u>
Total 2017	<u>706</u>	<u>-</u>	<u>706</u>	

THE MEAD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	214,261	4,948,522	5,162,783	4,861,256
Nursery	468,593	-	468,593	140,447
	<u>682,854</u>	<u>4,948,522</u>	<u>5,631,376</u>	<u>5,001,703</u>
Total 2017	<u>335,550</u>	<u>4,666,153</u>	<u>5,001,703</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	3,890,972	3,890,972	3,641,647
Other DfE/ESFA grants	-	494,062	494,062	501,725
	<u>-</u>	<u>4,385,034</u>	<u>4,385,034</u>	<u>4,143,372</u>
Other Government grants				
Other government grants non capital	-	259,850	259,850	177,229
Nursery set up income	-	-	-	148,164
Top up values	-	117,177	117,177	94,909
High Needs	-	165,096	165,096	92,674
	<u>-</u>	<u>542,123</u>	<u>542,123</u>	<u>512,976</u>
Other funding				
Catering income	61,261	-	61,261	53,915
Parental contributions	133,119	-	133,119	118,760
Music income	19,881	-	19,881	22,428
Other	-	21,365	21,365	9,805
	<u>214,261</u>	<u>21,365</u>	<u>235,626</u>	<u>204,908</u>
	<u>214,261</u>	<u>4,948,522</u>	<u>5,162,783</u>	<u>4,861,256</u>
Total 2017	<u>195,103</u>	<u>4,666,153</u>	<u>4,861,256</u>	

THE MEAD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

6. EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total
	2018	2018	2018	2018	2017
	£	£	£	£	£
Education:					
Direct costs	3,904,512	143,586	452,940	4,501,038	4,008,435
Support costs	1,083,219	245,683	804,926	2,133,828	2,173,331
	<u>4,987,731</u>	<u>389,269</u>	<u>1,257,866</u>	<u>6,634,866</u>	<u>6,181,766</u>
Total 2017	<u><u>4,329,729</u></u>	<u><u>347,165</u></u>	<u><u>1,504,872</u></u>	<u><u>6,181,766</u></u>	

7. DIRECT COSTS

	Total	Total
	2018	2017
	£	£
Pension finance costs	23,000	42,000
Educational supplies	304,246	310,211
School trip expenditure	81,098	95,446
Staff development	40,182	42,576
Supply teachers	256	12,001
Educational consultancy	4,414	14,154
Wages and salaries	3,070,344	2,657,742
National insurance	273,361	241,806
Pension cost	560,551	481,286
Depreciation	143,586	111,213
	<u>4,501,038</u>	<u>4,008,435</u>
Total 2017	<u><u>4,008,435</u></u>	

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

8. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Other costs	89,033	173,928
Maintenance of premises and equipment	160,302	186,068
Cleaning	14,646	12,220
Rent and rates	28,253	25,173
Energy costs	61,427	49,438
Insurance	36,498	29,198
Security and transport	36,652	17,338
Catering	126,451	121,795
Technology costs	57,684	57,942
Legal and professional	225,142	327,298
Bank interest and charges	486	87
Wages and salaries	598,509	565,487
National insurance	35,951	31,400
Pension cost	448,759	340,007
Depreciation	214,035	235,952
	<u>2,133,828</u>	<u>2,173,331</u>
Total 2017	<u>2,173,331</u>	

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	376,566	347,165
Auditors' remuneration- audit	12,500	9,550
Auditors' remuneration- non-audit	1,500	1,500
	<u>390,566</u>	<u>358,215</u>

THE MEAD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	3,668,853	3,223,229
Social security costs	309,312	273,206
Operating costs of defined benefit pension schemes	1,009,310	821,293
	<u>4,987,475</u>	<u>4,317,728</u>
Agency staff costs	256	12,001
	<u>4,987,731</u>	<u>4,329,729</u>

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	61	63
Administration and support	130	116
Management	13	11
	<u>204</u>	<u>190</u>

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	48	48
Administration and support	80	75
Management	12	11
	<u>140</u>	<u>134</u>

c. Higher paid staff

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

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

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 pension contributions for these staff amounted to £14,479 (2017: £14,103).

d. Key management personnel

The key management personnel of the Academy Trust comprise the senior management team as listed on page 1. The total employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £337,691 (2017: £458,387).

**THE MEAD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. CENTRAL SERVICES

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

- Personnel
- Recharge for use of facilities

The Academy charges for these services on the following basis:

Costs, which were incurred as central costs in the first instance, were recharged to the following schools in the year:

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
River Mead Primary School	176,064	74,628
Castle Mead Primary School	185,045	115,302
The Mead Primary School	26,048	22,801
	<u>387,157</u>	<u>212,731</u>
Total	<u>387,157</u>	<u>212,731</u>

The Trust will continue to develop the allocation of central services to ensure transparency and greater visibility.

**THE MEAD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 2 (2017: 4) Trustees in respect of defined benefit pension schemes.

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Executive Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: L Bolton: Remuneration £85,000 - £90,000 (2017: £85,000 - £90,000), Employer's Pension Contributions £10,000 - £15,000 (2017: £10,000 - £15,000); E Holton (Pro-rata- 7 months): Remuneration £30,000 - £35,000 (2017: £50,000 - £55,000), Employer's Pension Contributions 0 - £5,000 (2017: £5,000 - £10,000); T Boulton (Pro-rata- 7 months): Remuneration £25,000 - £30,000, Employer's Pension Contributions £0 - £5,000; L Palmer (Pro-rata- 7 months): Remuneration £25,000 - £30,000, Employer's Pension Contributions £0 - £5,000; K Austin (Pro-rata- 7 months): Remuneration £25,000 - £30,000, Employer's Pension Contributions £0 - £5,000; K Jamieson (Pro-rata- 7 months): Remuneration £15,000 - £20,000, Employer's Pension Contributions £0 - £5,000.

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017: £Nil) in respect of their role as a Trustee.

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 £5,000,000. For the year ended 31 August 2017 and the previous year the cover was provided through the Education and Skills Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the Trustee indemnity element is not separately identifiable.

14. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
COST					
At 1 September 2017	13,334,734	242,549	295,344	-	13,872,627
Additions	93,541	15,604	35,941	40,689	185,775
Assets recognised	2,033,074	-	-	-	2,033,074
At 31 August 2018	15,461,349	258,153	331,285	40,689	16,091,476
DEPRECIATION					
At 1 September 2017	1,140,596	58,984	248,194	-	1,447,774
Charge for the year	314,302	24,758	34,793	2,713	376,566
At 31 August 2018	1,454,898	83,742	282,987	2,713	1,824,340
NET BOOK VALUE					
At 31 August 2018	14,006,451	174,411	48,298	37,976	14,267,136
At 31 August 2017	12,194,138	183,565	47,150	-	12,424,853

THE MEAD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. DEBTORS

	2018	2017
	£	£
Trade debtors	9,108	9,713
Other debtors	64,122	45,493
Prepayments and accrued income	128,297	122,464
	<u>201,527</u>	<u>177,670</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Other loans	-	3,750
Trade creditors	18,470	12,788
Other taxation and social security	72,688	64,686
Accruals and deferred income	261,912	295,572
	<u>353,070</u>	<u>376,796</u>

	2018	2017
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2017	175,221	179,851
Resources deferred during the year	193,643	175,221
Amounts released from previous years	(175,221)	(179,851)
Deferred income at 31 August 2018	<u>193,643</u>	<u>175,221</u>

Deferred income at the year end relates to funds received in advance for universal infant free school meals and other ESFA grants which relate to the 2018/19 academic year.

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17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Other loans	35,000	26,250

Included within the above are amounts falling due as follows:

	2018	2017
	£	£
BETWEEN ONE AND TWO YEARS		
Other loans	5,699	3,750
BETWEEN TWO AND FIVE YEARS		
Other loans	17,096	11,250
OVER FIVE YEARS		
Other loans	12,205	11,250

Creditors include amounts not wholly repayable within 5 years as follows:

	2018	2017
	£	£
Repayable by instalments	12,205	11,250

Creditors due after more than one year at the end of the previous year consisted of a £30,000 loan from the ESFA under the Condition Improvement Fund, of which £26,250 was due for repayment in over year from the end of the period. The balance on this loan was repaid during the year.

Creditors due after more than one year at the end of the current year include a £20,000 loan from the ESFA under the Condition Improvement Fund. Repayments on the loan are due in commence in September 2019 and will repaid over equal instalments over an 8 year period. Interest is charged on the loan at a rate of 2.04% per annum.

Creditors due after more than one year at the end of the current year include a £15,000 loan from the ESFA under the Condition Improvement Fund. Repayments on the loan are due in commence in September 2019 and will repaid over equal instalments over an 5 year period. Interest is charged on the loan at a rate of 2.04% per annum.

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

18. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at fair value through income and expenditure	830,002	664,078
Financial assets measured at amortised cost	88,166	101,730
	<u>918,168</u>	<u>765,808</u>
	<u>101,618</u>	<u>163,149</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and the loan from the ESFA under the Condition Improvement Fund.

THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General funds	238,511	737,514	(780,891)	-	-	195,134
RESTRICTED FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	136,332	3,861,853	(3,829,133)	(51,545)	-	117,507
Teaching school income	76,436	178,835	(167,581)	(24,500)	-	63,190
Pupil premium	-	291,311	(291,311)	-	-	-
Trip income	-	53,971	(53,971)	-	-	-
Devolved formula capital	-	22,649	(22,649)	-	-	-
UIFSM	-	156,447	(156,447)	-	-	-
Other DfE/ESFA grants	-	47,803	(47,803)	-	-	-
High needs income	-	165,347	(165,347)	-	-	-
SMEH grants	-	196,693	(196,693)	-	-	-
LA Top up values	-	117,177	(117,177)	-	-	-
Other local authority grants	-	63,157	(63,157)	-	-	-
Other restricted income	-	26,085	(26,085)	-	-	-
Pension reserve	(751,000)	-	(359,000)	-	657,000	(453,000)
	(538,232)	5,181,328	(5,496,354)	(76,045)	657,000	(272,303)

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

19. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Fixed assets transferred on conversion	9,467,125	-	(211,158)	-	-	9,255,967
Fixed assets purchased from GAG and other restricted funds	189,081	-	(19,690)	76,045	-	245,436
DfE/ESFA Capital grants	466,028	331,219	(19,967)	-	-	777,280
Castle Mead new school funding	52,851	-	(24,307)	-	-	28,544
Donated fixed assets	2,237,191	2,073,763	(82,499)	-	-	4,228,455
	<u>12,412,276</u>	<u>2,404,982</u>	<u>(357,621)</u>	<u>76,045</u>	<u>-</u>	<u>14,535,682</u>
Total restricted funds	<u>11,874,044</u>	<u>7,586,310</u>	<u>(5,853,975)</u>	<u>-</u>	<u>657,000</u>	<u>14,263,379</u>
Total of funds	<u><u>12,112,555</u></u>	<u><u>8,323,824</u></u>	<u><u>(6,634,866)</u></u>	<u><u>-</u></u>	<u><u>657,000</u></u>	<u><u>14,458,513</u></u>

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the Educational and Skills Funding Agency (ESFA) which is to be used for the normal running costs of the Academy, including education and support costs.

High Needs funding is received from the Local Authority to fund provision for students with additional learning needs in a specialised resource provision.

Pupil Premium funding which represents amounts received from the ESFA to cater for disadvantaged pupils.

UIFSM represents funding received to provide free school meals to all pupils in year groups reception, year 1 and year 2.

Teaching school income represents funding relating to teaching school activities.

Other DfE/ESFA grants relate to funding received for the provision of physical education and rates relief.

Sponsor capacity and new school grants relate to funding received to transfer River Mead Primary school into the Academy Trust and open the new Castle Mead Primary School, both of which took place during the year to 31 August 2015.

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

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

19. STATEMENT OF FUNDS (continued)

FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from the local authority on conversion to an academy, as well as the donation of the school buildings of River Mead Primary School on 1 September 2014.

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

Other DfE/ESFA capital grants received in the year relate to CIF funding received at River Mead School to replace roofs throughout the school.

Brought forward donated fixed assets relates to the land and buildings of Castle Mead School which this school has occupied since September 2014 when the school opened as an Academy. The land and buildings were professionally valued on 31 March 2015 and have been initially recognised at this valuation. On 1 September 2017 the school begun to occupy this second part of the school building valued at £2,033,074.

In addition, during 2016 and 2017 playing fields were donated to River Mead School. In the current year a donation of £40,689 was given to the school to acquire a school minibus.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
The Mead Primary School	187,538	275,615
Castle Mead Primary School	104,895	61,454
River Mead Primary School	83,398	114,210
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	375,831	451,279
Restricted fixed asset fund	14,535,682	12,412,276
Pension reserve	(453,000)	(751,000)
	<hr/>	<hr/>
Total	14,458,513	12,112,555
	<hr/> <hr/>	<hr/> <hr/>

THE MEAD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. STATEMENT OF FUNDS (continued)

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 2018 £	Total 2017 £
The Mead Primary School	1,718,340	360,224	129,191	428,731	2,636,486	2,739,146
Castle Mead Primary School	1,033,347	196,935	136,007	184,174	1,550,463	1,310,605
River Mead Primary School	1,152,569	190,060	39,048	349,619	1,731,296	1,513,851
	<u>3,904,256</u>	<u>747,219</u>	<u>304,246</u>	<u>962,524</u>	<u>5,918,245</u>	<u>5,563,602</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	355,744	357,585	(474,818)	-	-	238,511

RESTRICTED FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	145,341	3,641,647	(3,535,311)	(115,345)	-	136,332
Teaching school income	102,782	321,053	(347,399)	-	-	76,436
Pupil premium	-	294,306	(294,306)	-	-	-
Trip income	-	69,529	(69,529)	-	-	-
Devolved formula capital	-	22,315	(22,315)	-	-	-
UIFSM	-	152,951	(152,951)	-	-	-
Other DfE/ESFA grants	-	32,153	(32,153)	-	-	-
High needs income	-	92,674	(92,674)	-	-	-
LA Top up values	-	94,909	(94,909)	-	-	-
Nursery income	-	260,702	(260,702)	-	-	-
Other local authority grants	-	177,229	(177,229)	-	-	-
Other restricted income	-	9,305	(9,305)	-	-	-
Pension reserve	(1,885,000)	-	(271,000)	-	1,405,000	(751,000)
	<u>(1,636,877)</u>	<u>5,168,773</u>	<u>(5,359,783)</u>	<u>(115,345)</u>	<u>1,405,000</u>	<u>(538,232)</u>

THE MEAD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion	9,697,228	-	(230,103)	-	-	9,467,125
Fixed assets purchased from GAG and other restricted funds	104,686	-	(30,950)	115,345	-	189,081
DfE/ESFA Capital grants	344,141	-	(19,967)	-	-	324,174
Castle Mead new school funding	77,158	-	(24,307)	-	-	52,851
Donated fixed assets	2,230,420	48,609	(41,838)	-	-	2,237,191
Early years capital income	-	141,854	-	-	-	141,854
	<u>12,453,633</u>	<u>190,463</u>	<u>(347,165)</u>	<u>115,345</u>	<u>-</u>	<u>12,412,276</u>
Total restricted funds	<u>10,816,756</u>	<u>5,359,236</u>	<u>(5,706,948)</u>	<u>-</u>	<u>1,405,000</u>	<u>11,874,044</u>
Total of funds	<u>11,172,500</u>	<u>5,716,821</u>	<u>(6,181,766)</u>	<u>-</u>	<u>1,405,000</u>	<u>12,112,555</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	14,267,136	14,267,136
Current assets	195,134	568,767	268,546	1,032,447
Creditors due within one year	-	(353,070)	-	(353,070)
Creditors due in more than one year	-	(35,000)	-	(35,000)
Pension scheme liability	-	(453,000)	-	(453,000)
	<u>195,134</u>	<u>(272,303)</u>	<u>14,535,682</u>	<u>14,458,513</u>

**THE MEAD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	12,424,853	12,424,853
Current assets	238,511	585,814	17,423	841,748
Creditors due within one year	-	(373,046)	(3,750)	(376,796)
Creditors due in more than one year	-	-	(26,250)	(26,250)
Provisions for liabilities and charges	-	(751,000)	-	(751,000)
	<u>238,511</u>	<u>(538,232)</u>	<u>12,412,276</u>	<u>12,112,555</u>

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,688,958	(464,945)
Adjustment for:		
Depreciation charges	376,566	347,165
Interest received	(458)	(706)
Donation of fixed assets	(2,032,894)	(48,609)
Increase in debtors	(8,907)	(35,833)
(Decrease)/increase in creditors	(30,157)	15,070
Capital grants from DfE and other capital income	(331,169)	(141,854)
Defined benefit pension scheme cost less contributions payable	336,000	229,000
Defined benefit pension scheme finance cost	23,000	42,000
Net cash provided by/(used in) operating activities	<u>20,939</u>	<u>(58,712)</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	830,920	664,079
	<u>830,920</u>	<u>664,079</u>

**THE MEAD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. CAPITAL COMMITMENTS

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

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>161,964</u>	<u>-</u>

Capital commitments at the year end relate to ongoing roof repair work which is due for completion in the 2018/19 academic year.

24. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

**THE MEAD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS (continued)

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

The employer's pension costs paid to TPS in the period amounted to £560,551 (2017: £481,365).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £417,000 (2017: £341,000), of which employer's contributions totalled £328,000 (2017: £268,000) and employees' contributions totalled £89,000 (2017: £73,000). The agreed contribution rates for future years are 21.4% for employers and 5.5% to 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.5 years	22.5 years
Females	24.9 years	24.9 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.7 years	26.7 years

**THE MEAD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,419,000	1,976,000
Bonds	477,000	390,000
Property	443,000	362,000
Cash	68,000	55,000
	<hr/>	<hr/>
Total market value of assets	3,407,000	2,783,000
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The amounts recognised in the Statement of Financial Activities are as follows:

	2018 £	2017 £
Current service cost	(664,000)	(497,000)
Interest income	74,000	47,000
Interest cost	(97,000)	(89,000)
	<hr/>	<hr/>
Total	(687,000)	(539,000)
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Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	3,534,000	3,969,000
Current service cost	664,000	497,000
Interest cost	97,000	89,000
Employee contributions	89,000	73,000
Actuarial gains	(462,000)	(1,090,000)
Benefits paid	(62,000)	(4,000)
	<hr/>	<hr/>
Closing defined benefit obligation	3,860,000	3,534,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £	2017 £
Opening fair value of scheme assets	2,783,000	2,084,000
Interest income	74,000	47,000
Actuarial gains	195,000	315,000
Employer contributions	328,000	268,000
Employee contributions	89,000	73,000
Benefits paid	(62,000)	(4,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	3,407,000	2,783,000
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**THE MEAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

25. OPERATING LEASE COMMITMENTS

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

	2018	2017
	£	£
AMOUNTS PAYABLE:		
Within 1 year	3,635	4,080
Between 1 and 5 years	4,064	-
Total	7,699	4,080

26. RELATED PARTY TRANSACTIONS

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

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

L Bolton, the Executive Head Teacher of the Trust, is also a Trustee of Collaborative Schools Limited, a registered charitable company which provided educational support services of £32,567 (2017: £49,585) to the Academy Trust during the year. There were not amounts due to the company at the year end. Collaborative Schools Limited is a not for profit organisation of which L Bolton is one of several Trustees. The other Trustees of the company are also Head Teachers of local schools. J Bullock, a Trustee, is employed by Collaborative Schools Limited as a Collaborative Schools Co-ordinator.

27. CONTROLLING PARTY

The company is under the joint control of the Trustees. There is no ultimate controlling party.

28. MEMBERS' LIABILITY

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

**THE MEAD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

29. TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
Teaching school grant income	178,835		321,053	
TOTAL INCOME		178,835		321,053
EXPENDITURE				
DIRECT EXPENDITURE				
Direct costs	167,581		347,399	
TOTAL EXPENDITURE		167,581		347,399
TRANSFERS BETWEEN FUNDS EXCLUDING DEPRECIATION		(24,500)		-
DEFICIT FROM ALL SOURCES		(13,246)		(26,346)
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		76,436		102,782
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		<u>63,190</u>		<u>76,436</u>