

EFA

Teignmouth Learning Trust

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2013

Registration number 07519888

TUESDAY



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Teignmouth Learning Trust

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Teignmouth Learning Trust

Reference and Administrative Details

Directors (Trustees) Mr M J Bilham (resigned 20 December 2012)
Mr G G Bond
Mr D A Clifford (resigned 20 December 2012)
Mr M J Cox
Ms J Crimmins (resigned 11 July 2013)
Mr N T Duffy
Mr A P Flanagan (appointed 20 December 2012)
Mr J D Forte (resigned 11 July 2013)
Ms M J Gitsham
Mr A P Gray
Mrs P S Henchie
Mr D R Hewlett (resigned 3 September 2012)
Ms M Judge
Mr A A Lumb
Mr V G Millard
Mrs S Minty-Dyke (appointed 14 February 2013)
Ms S A Murray (resigned 23 May 2013)
Mr A M Pepper (appointed 14 February 2013 and resigned 11 July 2013)
Ms P M Sandford (resigned 3 September 2012)
Mrs K A Saunders

Company Secretary Mrs K Quinn

Senior Management Team Mr A P Gray, Principal - Teignmouth Community School
Mr D A Clifford, Headteacher - Mill Lane (until 31 December 2012)
Mr J Newman, Senior Vice Principal - Teignmouth Community School
Mr G Cosby, Assistant Principal - Teignmouth Community School
Ms G Endacott, Vice Principal - Teignmouth Community School
Mr J Lunn, Vice Principal - Teignmouth Community School
Ms R Mullins, Vice Principal - Teignmouth Community School
Mrs K Quinn, Vice Principal - Teignmouth Community School
Ms K Ray, Vice Principal - Teignmouth Community School
Mr K Templeman, Assistant Principal - Mill Lane
Mr G Warne, Assistant Principal - Teignmouth Community School
Mr R Wilmott, Assistant Principal - Teignmouth Community School

Teignmouth Learning Trust

Reference and Administrative Details

Principal and Registered Office	Mr A P Gray Teignmouth Community School Exeter Road Teignmouth Devon TQ14 9HZ
Company Registration Number	07519888
Auditors	Francis Clark LLP Chartered Accountants and Statutory Auditor Sigma House Oak View Close Edginswell Park Torquay Devon TQ2 7FF
Bankers	Lloyds TSB 41 Courtenay Street Newton Abbot TQ12 2QW
Solicitors	Foot Anstey LLP Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

Teignmouth Learning Trust

Directors' Report for the Year Ended 31 August 2013

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee, and is an exempt charity, which was incorporated on 07 February 2011. The company registration number is 07519888. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The directors act as the trustees for the charitable activities of Teignmouth Learning Trust and are also the directors of the Charitable Company for the purposes of company law. The charitable company is known as Teignmouth Learning Trust.

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

The Academy directors are legally responsible for the overall management and control of the academy and meet six times a year. Day to day management is delegated to the executive team, which includes the Principal, Senior Vice Principal, five Vice Principals, four Assistant Principals, Key Stage Leaders, Foundation Stage Leader and the School Manager.

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.

Directors' indemnities

The Academy through its Articles has indemnified its directors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its directors.

Principal activities

The Academy Trust's principal activity is to provide education for the wider and local community in particular, and to promote educational activities, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum for the public benefit.

Method of recruitment and appointment or election of Directors

The Academy's elected and nominated directors are appointed at a meeting of the Governing Body. The composition of the Governing body is specified in the Articles of Association of the Academy. Whilst there are a number of provisions to appoint directors in varying circumstances the normal membership will be:

Community Directors 8
Parent Directors 4
Staff Directors 6

The Governing Body will conduct audits to ensure that it maintains an appropriate breadth of skills and experience and that new directors are recruited to meet any needs identified on the basis of eligibility, personal competence, specialist skills and local availability. Parent directors will be nominated by the parent body and staff directors will be nominated by all staff.

Teignmouth Learning Trust

Directors' Report for the Year Ended 31 August 2013

Policies and procedures adopted for the induction and training of Directors

The Trust buys in the provision from Devon Governor Services for induction and support training for all directors. All directors are required to attend and ensure that their knowledge and expertise are up to date. The training and induction provided for the new directors will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new directors will be given a tour of the Academy and the chance to meet with staff and students. All directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as directors. As there will normally only be two or three new directors a year, induction will be done informally and will be tailored specifically to the individual. Mentoring of new directors will also be offered, as appropriate, during the first year following appointment.

Organisational structure

The management of the Academy Trust exists at two levels. The executive responsibility sits with the Senior Leadership Team and the scrutiny and strategic responsibility sits with both the Senior Leadership Team and the directors. The purpose of this structure is to ensure participation by all parties. The directors are responsible for ensuring that agreed policy is implemented, adopting the Strategic Plan and budget, monitoring the Academy performance, capital expenditure and being involved in senior staff appointments.

The Senior Leadership Team consists of the Principal, Senior Vice Principal, 5 Vice Principals, 4 Assistant Principals, Key Stage Leaders, Foundation Stage Leader and the School Manager. These managers control the Academy at an executive level implementing the policies agreed by the directors and reporting back to them. As a group the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Leadership Team always contain a director. These managers are also responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Risk management

The risks facing Teignmouth Learning Trust were considered and addressed at the time of transition to Academy status. These included, financial risks, personnel, students, premises, health and safety and community perception.

The directors have implemented management systems, namely policy development and a regular schedule of policy review, alongside reporting to director committees to assess operational risks that the school faces. These include financial control, teaching and learning, health and safety, discrimination and school trips. New systems have also been introduced to ensure separation of interest such as vetting of new staff and visitors, contractual matters and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured that they have adequate insurance cover. These procedures including all policies are reviewed and updated on a regular basis.

Connected organisations, including related party relationships

The following 'entities' have a relationship with the Trust in that Trust facilities are used by them to carry out their activities. Their financial activities are not under the control of the directors of Teignmouth Learning Trust.

- Inverteign Family Centre
- Canonteign Sea Cadets
- Exeter City Football Club

Teignmouth Learning Trust

Directors' Report for the Year Ended 31 August 2013

Objectives and activities

Objects and aims

The principal object and activity of the company is to provide education for the community of Teignmouth and its surrounds

Article 1 of the Trust's Articles of Association states the Trust's overarching purpose to advance for the public benefit education in the United Kingdom in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum

Objectives, strategies and activities

Teaching and Learning

- The headline figure for the quality of Teaching and Learning at TCS Exeter Road for 2012 - 2013 currently stands at 98% Good or Outstanding moving from 94% last year

- The headline figure for the quality of Teaching and Learning at TCS Mill Lane for 2012 - 2013 currently stands at 100% Good or Outstanding (100% last year)

- Key priorities across both sites for the coming year are,

- 1 Work Scrutiny
- 2 Literacy, Numeracy and Communication
- 3 Stretch and Challenge

Public benefit

The Academy provides educational services to all children in the local area. The directors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission

Teignmouth Learning Trust

Directors' Report for the Year Ended 31 August 2013

Achievements and performance

School Performance

The Academy receives funding for the provision of education from the Department for Education (DfE) via the Education Funding Agency (EFA)

- Key Stage 1

Key Stage 1 Phonics Screen test showed significant improvement from 55% of children achieving a 'pass' in the assessment in 2012 to 74% in 2013. End of Key Stage 1 results shows a 3 year trend of increasing performance in all areas. In all areas of Reading, Writing and Maths, children in KS1 outperformed national average figures.

- Key Stage 2

End of Key Stage 2 results shows a 5 year trend of increasing performance with the results from 2012 being expected to be above national average in all areas. This improvement demonstrates the rapid and sustained progress of children in KS2. 82% of children in Year 6 achieved Level 4 and above in English and Maths.

- Key Stage 4

Results were outstanding for this group of Teignmouth youngsters with 95% of them gaining at least 5 good passes at C grade or above and over 60% achieving 5 or more top grade passes including English and Maths. 18% of students also met criteria to be awarded the new English Baccalaureate.

- Key Stage 5

Students and staff at Teignmouth Community School are delighted with A level results. Every student applying to university has achieved a place with most going to their first choice. They will be studying subjects as diverse as Sport Science, Mathematics, Psychology and Physics.

Going concern

After making appropriate enquiries, the directors have 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.

Teignmouth Learning Trust

Directors' Report for the Year Ended 31 August 2013

Financial review

The main sources of funding for the Academy are the General Annual Grant and School Standards Funds from the EFA and the Special Educational Needs / High Needs grant from the LA. Incoming resources in the period totalled £8,991,000 and resources expended totalled £8,121,000. After the actuarial loss of £81,000 on the pension scheme the total net movement in funds for the period was £789,000.

Trading performance of subsidiaries

Trading performance for Teignmouth Educational Services Limited for the year ending 31 August 2013 is as follows:

Turnover was £105,000, expenditure was £114,000 and the loss for the year was £9,000. The assets of the company at 31 August 2013 were £90,000, liabilities were £99,000 and the capital and reserves were (£9,000).

Principal risks and uncertainties

The major risks to which the Academy is exposed are a reduction in funding due to pupil numbers, damage to the reputation of the Academy, risks associated with the loss of key staff, and damage to property.

Maintaining the reputation of the Academy is the responsibility of all staff and the Principal makes it clear to all staff that all engagement with stakeholders needs to reflect this. The need to ensure parents continue to choose the Academy for their children is a key part of the strategic intents for the Academy.

The Academy has a comprehensive insurance policy to cover third party liability and damage to property.

Financial and risk management objectives and policies

The directors of the Academy have adopted a risk management policy that sets out a process to ensure that risk management is a central part of everyday good management. The directors recognise that some risks will always exist and that the purpose of their policy is to ensure that risks are identified and the chance of them occurring assessed. Action will then be taken to mitigate major risks to an acceptable level.

Reserves policy

The directors assess the level of free reserves held annually, and review in the light of the Academy's financial position and future commitments. The total amount of unrestricted funds as of 31 August 2013 was £208,000.

The total GAG fund carried forward was £246,000. The total reserves carried forward amount to approximately 5% of annual income, which the directors consider appropriate at this time.

Investment policy

Although the company has powers to invest as detailed in Articles of Association there has been neither investment nor plans for investment of any surplus cash balance. During the course of the year directors may consider the adoption of an investment policy which will include consideration of social, environmental, and ethical issues.

Teignmouth Learning Trust

Directors' Report for the Year Ended 31 August 2013

Plans for future periods

The directors have agreed the following strategic intentions for Teignmouth Community School

Our intentions over the next three years will focus on the following 5 areas

- Teaching and Learning Our destination is for 100% of lessons to be good or outstanding and student learning to be exemplary Our intention is to develop curricula, teaching expertise and to maximise student attainment at every opportunity
- Developing exceptional facilities and expanding our offer The best school in the West requires outstanding, top quality buildings and facilities to deliver its teaching and learning Our intention is to seek out and explore every opportunity to improve the quality of our environment,
- Seeking collaborations and working with families for the benefit of individual learners, TCS and the community The federation of Teignmouth Community College and Inverteign Community and Nursery School was made so that families and individual learners would benefit from the collaboration This collaborative approach will continue so that new partners will be sought to ensure better opportunities for all
- Maximising individual potential It is recognised that this diverse community of learners, both adult and child, need a wide range of learning opportunities To do this, we will pursue a creative curriculum seeking to expand the range of provision to include 3-90
- Developing as one school Teignmouth Community School is a new project that will take some time to become established as one school Our intention is to take every opportunity to make this identity apparent to children, parents, staff and the community

Auditor

In so far as the Directors are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Approved by order of the board of directors on 5/12/13 and signed on its behalf by



Mr A A Lumb
Governor and trustee

Teignmouth Learning Trust

Governance Statement

Scope of responsibility

As directors, we acknowledge we have overall responsibility for ensuring that Teignmouth Learning 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 Governing Body has delegated the day-to-day responsibility to Mr A P Gray, 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 Teignmouth Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr M J Bilham	2	2
Mr G G Bond	4	6
Mr M J Cox	6	6
Ms J Crammins	6	6
Mr D A Clifford	1	2
Mr N T Duffy	4	6
Mr A P Flanagan	4	5
Mr J D Forte	4	6
Ms M J Gitsham	6	6
Mr A P Gray	6	6
Mrs P S Henchie	2	6
Ms M Judge	4	6
Mr A A Lumb	5	6
Mr V G Millard	6	6
Mrs S Minty-Dyke	2	4
Ms S A Murray	4	6
Mr A M Pepper	3	4
Mrs K A Saunders	5	6

Teignmouth Learning Trust

Governance Statement

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Teignmouth Learning Trust for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the Finance and General Purposes 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 Governing Body has considered the need for a specific internal audit function and has decided

The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the RO to date.

Review of effectiveness

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

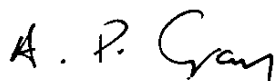
- the work of the ,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

Teignmouth Learning Trust

Governance Statement

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

Approved by order of the members of the Governing Body on 5/12/13 and signed on its behalf by



Mr A P Gray
Governor and trustee



Mr A A Lumb
Governor and trustee

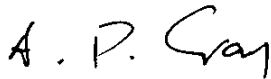
Teignmouth Learning Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Teignmouth Learning Trust I have considered my responsibility to notify the academy trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Mr A P Gray
Accounting officer

Teignmouth Learning Trust

Statement of Directors' Responsibilities

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

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


- select suitable accounting policies and apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board on 5/12/13 and signed on its behalf by


Mr A A Lumb
Governor and trustee

Teignmouth Learning Trust

Independent Auditor's Report on the Financial Statements to the members of Teignmouth Learning Trust

We have audited the financial statements of Teignmouth Learning Trust for the year ended 31 August 2013, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's directors, 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 charity's directors those matters we are required to state to them in an auditor's 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 charitable company and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 13), the directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2013 and of the group's 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 the Annual Accounts Direction issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

Teignmouth Learning Trust

Independent Auditor's Report on the Financial Statements to the members of Teignmouth Learning Trust

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

Christopher Hicks (Senior Statutory Auditor)
For and on behalf of Francis Clark LLP, Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

Francis Clark LLP

Date 20 December 2013

Teignmouth Learning Trust

Independent Auditor's Assurance Report on Regularity to Teignmouth Learning Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Teignmouth Learning Trust during the period 1 September 2012 to 31 August 2013 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 Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 February 2011 and the Academies Financial Handbook extant from 1 September 2012, 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 2013. 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 from 1 September 2012 to 31 August 2013 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 Annual Accounts Direction issued by the Education Funding Agency. 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.

The work undertaken to draw to our conclusion has been designed to comply with the requirements set out in The Accounts Direction 2013 and includes

- Inspection and review of documentation providing evidence of governance procedures
- Evaluation of the system of internal controls for authorisation and approval
- Performing substantive tests on relevant transactions

Teignmouth Learning Trust

Independent Auditor's Assurance Report on Regularity to Teignmouth Learning Trust and the Education Funding Agency

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 from 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Christopher Hicks (Senior Statutory Auditor)
For and on behalf of Francis Clark LLP, Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

Francis Clark LLP

Date 20 December 2013

Teignmouth Learning Trust

**Consolidated Statement of Financial Activities for the Year Ended 31 August
2013**

**(Including Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)**

		Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2013 £ 000	Total 2012 £ 000
	Note					
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income	3	-	76	-	76	104
Activities for generating funds	4	435	28	-	463	455
Investment income	5	1	-	-	1	1
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	6	-	7,245	936	8,181	6,883
<i>Other incoming resources</i>						
Other incoming resources	7	-	218	52	270	40
Total incoming resources		436	7,567	988	8,991	7,483
Resources expended						
<i>Cost of generating funds</i>						
Costs of generating voluntary income		-	89	-	89	97
Cost of generating funds		437	2	-	439	369
<i>Charitable activities</i>						
Academy's educational operations		7	7,220	337	7,564	7,201
Governance costs	10	-	29	-	29	26
Total resources expended	8	444	7,340	337	8,121	7,693
Net (outgoing)/incoming resources before transfers		(8)	227	651	870	(210)
Gross transfers between funds		-	(121)	121	-	-
Net (expenditure)/income for the year		(8)	106	772	870	(210)
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	27	-	(81)	-	(81)	(409)
Net movement in (deficit)/funds		(8)	25	772	789	(619)
Reconciliation of funds						

Teignmouth Learning Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2013

**(Including Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)**

	Unrestricted	Restricted	Restricted	Total	Total
	Funds	General	Fixed	2013	2012
Note	£ 000	Funds	Asset	£ 000	£ 000
	£ 000	£ 000	Funds		
Funds/(deficit) brought forward at 1 September 2012	<u>216</u>	<u>(1,182)</u>	<u>14,942</u>	<u>13,976</u>	<u>14,595</u>
Funds/(deficit) carried forward at 31 August 2013	<u><u>208</u></u>	<u><u>(1,157)</u></u>	<u><u>15,714</u></u>	<u><u>14,765</u></u>	<u><u>13,976</u></u>

All of the Academy's activities derive from continuing operations during the above two periods

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

Teignmouth Learning Trust
(Registration number: 07519888)
Consolidated Balance Sheet as at 31 August 2013

	Note	2013 £ 000	2012 £ 000
Fixed assets			
Tangible assets	14	14,922	14,932
Current assets			
Stocks	16	48	36
Debtors	17	645	176
Cash at bank and in hand		<u>1,169</u>	<u>746</u>
		1,862	958
Creditors Amounts falling due within one year	18	<u>(511)</u>	<u>(607)</u>
Net current assets		<u>1,351</u>	<u>351</u>
Total assets less current liabilities		<u>16,273</u>	<u>15,283</u>
Net assets excluding pension liability		16,273	15,283
Pension scheme liability	27	<u>(1,508)</u>	<u>(1,307)</u>
Net assets including pension liability		<u>14,765</u>	<u>13,976</u>
Funds of the Academy			
Restricted funds			
Restricted general fund		351	125
Restricted fixed asset fund		15,714	14,942
Restricted pension fund		<u>(1,508)</u>	<u>(1,307)</u>
		14,557	13,760
Unrestricted funds			
Unrestricted general fund		<u>208</u>	<u>216</u>
Total funds		<u>14,765</u>	<u>13,976</u>

The financial statements were approved by the Directors, and authorised for issue on 5/12/13 and signed on their behalf by



Mr A A Lumb
Governor and trustee

Teignmouth Learning Trust
(Registration number: 07519888)
Balance Sheet as at 31 August 2013

	Note	2013 £ 000	2012 £ 000
Fixed assets			
Tangible assets	14	14,904	14,932
Current assets			
Stocks	16	48	36
Debtors	17	736	176
Cash at bank and in hand		1,098	746
		1,882	958
Creditors: Amounts falling due within one year	18	(504)	(607)
Net current assets		1,378	351
Total assets less current liabilities		16,282	15,283
Net assets excluding pension liability		16,282	15,283
Pension scheme liability	27	(1,508)	(1,307)
Net assets including pension liability		14,774	13,976
Funds of the Academy			
Restricted funds			
Restricted general fund		351	125
Restricted fixed asset fund		15,714	14,942
Restricted pension fund		(1,508)	(1,307)
		14,557	13,760
Unrestricted funds			
Unrestricted general fund		217	216
Total funds		14,774	13,976

The financial statements were approved by the Directors, and authorised for issue on and signed on their behalf by

5/12/13



Mr A A Lumb
Governor and trustee

Teignmouth Learning Trust

Consolidated Cash Flow Statement for the Year Ended 31 August 2013

	Note	2013 £ 000	2012 £ 000
Net cash (outflow)/inflow from operating activities	22	(184)	349
Returns on investments and servicing of finance	23	1	1
Capital expenditure and financial investment	24	<u>606</u>	<u>(214)</u>
Increase in cash in the year	25	<u>423</u>	<u>136</u>

Reconciliation of net cash flow to movement in net funds

Increase in cash in the year	423	136
Net funds at 1 September 2012	<u>746</u>	<u>610</u>
Net funds at 31 August 2013	<u>1,169</u>	<u>746</u>

All of the cash flows are derived from continuing operations during the above two periods

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Annual Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its sole subsidiary undertaking. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

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 there is certainty of receipt.

Donations

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

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

1 Accounting policies (continued)

Other income

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs

All resources expended are inclusive of irrecoverable VAT

Cost of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds

Charitable activities

These are costs incurred on the Academy Trust's educational operations

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class

Long leasehold buildings
Fixtures, fittings and equipment
ICT equipment
Motor vehicles

Depreciation method and rate

50 years straight line
4 years straight line
4 years straight line
5 years straight line

Investments

The academy's shareholding in the wholly owned subsidiary, Teignmouth Educational Services Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost and net realisable value.

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.

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. 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 quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

Subsidiary undertaking

The financial statements include the results of Teignmouth Educational Services Limited, a wholly owned subsidiary. Further details of the subsidiary and its results are set out in note 15. Profits generated by the subsidiary will be passed to the Academy Trust via gift aid.

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2013.

3 Voluntary income

	Restricted funds £ 000	Total 2013 £ 000	Total 2012 £ 000
Educational trips and visits	74	74	103
Other donations	2	2	1
	<u>76</u>	<u>76</u>	<u>104</u>

4 Activities for generating funds

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2013 £ 000	Total 2012 £ 000
Hire of facilities	42	-	42	37
Catering income	171	-	171	229
School shop sales	55	-	55	48
Recharges and reimbursements	-	28	28	53
Other income	61	-	61	88
Income from trading activities	106	-	106	-
	<u>435</u>	<u>28</u>	<u>463</u>	<u>455</u>

5 Investment income

	Unrestricted funds £ 000	Total 2013 £ 000	Total 2012 £ 000
Short term deposits	<u>1</u>	<u>1</u>	<u>1</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

6 Funding for Academy's educational operations

	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2013 £ 000	Total 2012 £ 000
DfE/EFA capital grants				
Academy Capital Maintenance Fund	-	908	908	-
Devolved Formula Capital	-	28	28	28
	-	936	936	28
DfE/EFA revenue grants				
General Annual Grant (GAG)	6,270	-	6,270	6,052
Pupil Premium	310	-	310	117
Standards Funds	153	-	153	111
Other EFA Grants	10	-	10	-
	6,743	-	6,743	6,280
Other government grants				
SEN / High Needs Income	300	-	300	317
Other LA Revenue Grants	129	-	129	258
	429	-	429	575
Non-government grants and other income				
Grants and Other Income	73	-	73	-
Total grants	7,245	936	8,181	6,883

7 Other incoming resources

	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2013 £ 000	Total 2012 £ 000
Insurance proceeds	218	52	270	40

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

8 Resources expended

	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total 2013 £ 000	Total 2012 £ 000
Costs of generating voluntary income	-	-	89	89	97
Costs of activities for generating funds	185	-	254	439	369
Academy's educational operations					
Direct costs	4,573	337	435	5,345	5,308
Allocated support costs	<u>1,135</u>	<u>767</u>	<u>317</u>	<u>2,219</u>	<u>1,893</u>
	5,708	1,104	752	7,564	7,201
Governance costs including allocated support costs	<u>23</u>	<u>-</u>	<u>6</u>	<u>29</u>	<u>26</u>
	<u>5,916</u>	<u>1,104</u>	<u>1,101</u>	<u>8,121</u>	<u>7,693</u>

Net incoming/outgoing resources for the year include

	2013 £ 000	2012 £ 000
Operating leases	30	40
Fees payable to auditor - audit	8	6
- other audit services	<u>5</u>	<u>7</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

9 Charitable activities - Academy's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2013 £ 000	Total 2012 £ 000
Direct costs					
Teaching and educational support staff costs	-	4,573	-	4,573	4,535
Depreciation	-	-	337	337	361
Educational supplies	-	246	-	246	260
Examination fees	-	137	-	137	113
Staff development	-	52	-	52	36
Other direct costs	-	-	-	-	3
	<u>-</u>	<u>5,008</u>	<u>337</u>	<u>5,345</u>	<u>5,308</u>
Allocated support costs					
Support staff costs	-	1,054	-	1,054	999
FRS 17 service cost adjustment	-	81	-	81	17
Maintenance of premises and equipment	1	420	-	421	281
Cleaning	-	38	-	38	39
Rent and rates	4	66	-	70	58
Energy costs	-	171	-	171	127
Insurance	-	67	-	67	33
Recruitment and support	-	12	-	12	9
Security and transport	1	34	-	35	27
Bank interest and charges	-	2	-	2	-
Expected return on scheme assets	-	(52)	-	(52)	(45)
Interest on defined benefit pension scheme	-	91	-	91	85
Other support costs	1	228	-	229	263
	<u>7</u>	<u>2,212</u>	<u>-</u>	<u>2,219</u>	<u>1,893</u>
	<u>7</u>	<u>7,220</u>	<u>337</u>	<u>7,564</u>	<u>7,201</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

10 Governance costs

	Restricted funds £ 000	Total 2013 £ 000	Total 2012 £ 000
Auditors' remuneration			
Audit of financial statements	6	6	6
Support costs	23	23	19
Governors' reimbursed expenses	-	-	1
	<u>29</u>	<u>29</u>	<u>26</u>

11 Staff costs

	2013 £ 000	2012 £ 000
Staff costs during the year were		
Wages and salaries	4,786	4,688
Social security costs	310	316
Pension costs	662	599
Supply teacher costs	128	101
Compensation payments	30	-
	<u>5,916</u>	<u>5,704</u>

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows

	2013 No	2012 No
Charitable Activities		
Teachers	72	82
Administration and support	99	92
Management	12	6
	<u>183</u>	<u>180</u>

The number of employees whose emoluments fell within the following bands was

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

11 Staff costs (continued)

	2013 No	2012 No
£60,001 - £70,000	1	1
£100,001 - £110,000	1	1

2 (2012 - 2) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £25,000 (2012 - £24,000)

12 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

Mr A P Gray (Principal)	£120,000 - £125,000	(2012 - £115,000 - £120,000)
Mr D A Clifford (Headteacher)	£50,000 - £55,000	(2012 - £50,000 - £55,000)
Ms G A Chinery (Teacher)	£Nil	(2012 - £0 - £5,000)
Ms J Crimmins (Teacher)	£40,000 - £45,000	(2012 - £45,000 - £50,000)
Mr J D Forte (Technician)	£20,000 - £25,000	(2012 - £20,000 - £25,000)
Mr D R Hewlett (Teacher)	£Nil	(2012 - £15,000 - £20,000)
Mrs K A Saunders (Teacher)	£15,000 - £20,000	(2012 - £15,000 - £20,000)

During the year ended 31 August 2013, travel and expenses totalling £165 (2012 - £Nil) were reimbursed to 1 trustee (2012 - 0).

Related party transactions involving the trustees are set out in note 28.

13 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,000 (2012 - £2,000).

The cost of this insurance is included in the total insurance cost.

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

14 Tangible fixed assets

Group

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost					
At 1 September 2012	15,191	144	41	48	15,424
Additions	138	165	-	27	330
At 31 August 2013	15,329	309	41	75	15,754
Depreciation					
At 1 September 2012	421	44	12	15	492
Charge for the year	239	74	8	19	340
At 31 August 2013	660	118	20	34	832
Net book value					
At 31 August 2013	14,669	191	21	41	14,922
At 31 August 2012	14,770	100	29	33	14,932

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

14 Tangible fixed assets (continued)

Company

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost					
At 1 September 2012	15,191	144	41	48	15,424
Additions	130	152	-	27	309
At 31 August 2013	15,321	296	41	75	15,733
Depreciation					
At 1 September 2012	421	44	12	15	492
Charge for the year	239	71	8	19	337
At 31 August 2013	660	115	20	34	829
Net book value					
At 31 August 2013	14,661	181	21	41	14,904
At 31 August 2012	14,770	100	29	33	14,932

15 Investments

Company

The Academy owns 100% of the Ordinary shares of Teignmouth Educational Services Limited, a company incorporated in England, the cost of this investment included in the accounts is £1. The principal activity of the company is the provision of sporting facilities and catering services. Turnover for the year ended 31 August 2013 was £105,000, expenditure was £114,000 and the profit/(loss) for the year was (£9,000). The assets of the company at 31 August 2013 were £90,000, liabilities were £99,000 and capital and reserves were (£9,000).

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

16 Stock

	Group		Company	
	2013	2012	2013	2012
	£ 000	£ 000	£ 000	£ 000
Catering	18	10	18	10
Stock of Goods - Uniform	30	26	30	26
	<u>48</u>	<u>36</u>	<u>48</u>	<u>36</u>

17 Debtors

	Group		Company	
	2013	2012	2013	2012
	£ 000	£ 000	£ 000	£ 000
Trade debtors	25	16	25	16
Prepayments	66	66	65	66
Accrued grant and other income	488	8	488	8
VAT recoverable	66	86	66	86
Amounts due from subsidiary undertaking	-	-	92	-
	<u>645</u>	<u>176</u>	<u>736</u>	<u>176</u>

18 Creditors' amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£ 000	£ 000	£ 000	£ 000
Trade creditors	233	322	233	322
Other taxation and social security	97	101	97	101
Other creditors	2	4	2	4
Pension scheme creditor	78	73	78	73
Accruals	27	15	22	15
Deferred income	74	92	72	92
	<u>511</u>	<u>607</u>	<u>504</u>	<u>607</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

18 Creditors amounts falling due within one year (continued)

Group

	2013 £ 000
Deferred income at 1 September 2012	92
Resources deferred in the period	74
Amounts released from previous periods	<u>(92)</u>
Deferred income at 31 August 2013	<u>74</u>

Company

	2013 £ 000
Deferred income at 1 September 2012	92
Resources deferred in the period	72
Amounts released from previous periods	<u>(92)</u>
Deferred income at 31 August 2013	<u>72</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

19 Funds

Group

	Balance at 1 September 2012 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2013 £ 000
Restricted general funds					
General Annual Grant (GAG)	55	6,270	(5,938)	(141)	246
Pupil Premium	-	310	(310)	-	-
SEN / High Needs Income	-	300	(300)	-	-
School Standards Fund	-	153	(153)	-	-
Dedicated Schools Grant (DSG)	-	38	(38)	-	-
16-19 Bursary	8	22	(7)	-	23
PE Grant	-	8	(8)	-	-
Other EFA Grant	-	2	(2)	-	-
Challenge Partners	-	1	-	-	1
Comenius Funding	2	-	(2)	-	-
Local Area Base	6	-	-	-	6
Local Learning Community	32	20	(30)	-	22
Mutual Fund Income	-	13	(13)	-	-
Paul Hamlyn Foundation	22	69	(55)	-	36
Stepping Stone Fund	-	36	(19)	-	17
School Fund	-	79	(99)	20	-
Recharges and Reimbursements	-	28	(28)	-	-
Insurance Proceeds	-	218	(218)	-	-
	<u>125</u>	<u>7,567</u>	<u>(7,220)</u>	<u>(121)</u>	<u>351</u>
Restricted fixed asset funds					
DfE / EFA Capital Grants	85	936	(27)	-	994
Other LA Capital	14,613	-	(233)	(303)	14,077
Capital Expenditure from GAG	215	-	(52)	121	284
Capital Insurance Proceeds	<u>29</u>	<u>52</u>	<u>(25)</u>	<u>303</u>	<u>359</u>
	14,942	988	(337)	121	15,714
Restricted pension funds					
Defined Benefit Pension Liability	<u>(1,307)</u>	<u>-</u>	<u>(120)</u>	<u>(81)</u>	<u>(1,508)</u>
Total restricted funds	13,760	8,555	(7,677)	(81)	14,557

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

19 Funds (continued)

	Balance at 1 September 2012 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2013 £ 000
Unrestricted funds					
Unrestricted general funds	216	436	(444)	-	208
Total funds	13,976	8,991	(8,121)	(81)	14,765

Company

	Balance at 1 September 2012 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2013 £ 000
Restricted general funds					
General Annual Grant (GAG)	55	6,270	(5,938)	(141)	246
Pupil Premium	-	310	(310)	-	-
SEN / High Needs Income	-	300	(300)	-	-
School Standards Fund	-	153	(153)	-	-
Dedicated Schools Grant (DSG)	-	38	(38)	-	-
16-19 Bursary	8	22	(7)	-	23
PE Grant	-	8	(8)	-	-
Other EFA Grant	-	2	(2)	-	-
Challenge Partners	-	1	-	-	1
Comenius Funding	2	-	(2)	-	-
Local Area Base	6	-	-	-	6
Local Learning Community	32	20	(30)	-	22
Mutual Fund Income	-	13	(13)	-	-
Paul Hamlyn Foundation	22	69	(55)	-	36
Stepping Stone Fund	-	36	(19)	-	17
School Fund	-	79	(99)	20	-
Recharges and Reimbursements	-	28	(28)	-	-
Insurance Proceeds	-	218	(218)	-	-
	125	7,567	(7,220)	(121)	351

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

19 Funds (continued)

	Balance at 1 September 2012 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2013 £ 000
Restricted fixed asset funds					
DfE / EFA Capital Grants	85	936	(27)	-	994
Other LA Capital	14,613	-	(233)	(303)	14,077
Capital Expenditure from GAG	215	-	(52)	121	284
Capital Insurance Proceeds	29	52	(25)	303	359
	<u>14,942</u>	<u>988</u>	<u>(337)</u>	<u>121</u>	<u>15,714</u>
Restricted pension funds					
Defined Benefit Pension Liability	(1,307)	-	(120)	(81)	(1,508)
Total restricted funds	13,760	8,555	(7,677)	(81)	14,557
Unrestricted funds					
Unrestricted general funds	216	330	(329)	-	217
Total funds	<u>13,976</u>	<u>8,885</u>	<u>(8,006)</u>	<u>(81)</u>	<u>14,774</u>

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

Restricted General Funds

The Challenge Partners Fund is set up to create a world class programme that will narrow the attainment gap between free school meals children and their peers

The Comenius Fund is to be used to help disadvantaged students to be included in a Foreign Exchange trip

The Local Area Base Fund is to be used on units within schools who work in partnership together helping students at risk of exclusion to get back into mainstream education or make the transition to 'Chances', a unit in Newton Abbot designed to teach excluded students

The Local Learning Community Fund is to be used for work in the primary schools in the Teignmouth area

The Mutual Fund income is insurance proceeds to provide staff cover for those on sick leave

The Paul Hamlyn Foundation Fund relates to activities for disadvantaged families in deprived areas of Teignmouth

Stepping stones is targeted support for KS4 students who are significantly underachieving as a result of social, emotional or behaviour issues. It supports intervention to provide individual needs

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

19 Funds (continued)

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

Analysis of academies by fund balance

Fund balances at 31 August 2013 were allocated as follows

	Total £ 000
Teignmouth Community College	424
Inverteign Community and Nursery School	144
	<hr/>
Total before fixed assets and pension reserve	568
DfE / EFA Capital Grants	15,714
Defined Benefit Pension Liability	(1,508)
	<hr/>
Total	14,774

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total £ 000
Teignmouth Community College	3,673	869	214	1,585	6,341
Inverteign Community and Nursery School	900	208	32	188	1,328
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy Trust	4,573	1,077	246	1,773	7,669

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

20 Analysis of net assets between funds

Group

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	18	-	14,904	14,922
Current assets	215	837	810	1,862
Current liabilities	(25)	(486)	-	(511)
Pension scheme liability	-	(1,508)	-	(1,508)
Total net assets	<u>208</u>	<u>(1,157)</u>	<u>15,714</u>	<u>14,765</u>

Company

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	14,904	14,904
Current assets	217	855	810	1,882
Current liabilities	-	(504)	-	(504)
Pension scheme liability	-	(1,508)	-	(1,508)
Total net assets	<u>217</u>	<u>(1,157)</u>	<u>15,714</u>	<u>14,774</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

21 Financial commitments

Group

Operating leases - group

At 31 August 2013 the Group had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2013 £ 000	2012 £ 000
Other		
Within one year	2	2
Within two to five years	<u>26</u>	<u>23</u>
	<u>28</u>	<u>25</u>

Company

Operating leases

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2013 £ 000	2012 £ 000
Other		
Within one year	2	2
Within two to five years	<u>24</u>	<u>23</u>
	<u>26</u>	<u>25</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

22 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2013 £ 000	2012 £ 000
Net income/(expenditure)	870	(210)
Depreciation	340	361
Donated capital and capital grants	(936)	(28)
Interest receivable	(1)	(1)
FRS 17 expected return on scheme assets	(52)	(45)
FRS 17 interest on defined benefit pension scheme	91	85
FRS17 service cost adjustment	81	17
Increase in stocks	(12)	(6)
(Increase)/decrease in debtors	(469)	99
(Decrease)/increase in creditors	(96)	77
Net cash (outflow)/inflow from operating activities	<u>(184)</u>	<u>349</u>

23 Returns on investments and servicing of finance

	2013 £ 000	2012 £ 000
Interest received	<u>1</u>	<u>1</u>
Net cash inflow from returns on investments and servicing of finance	<u>1</u>	<u>1</u>

24 Capital expenditure and financial investment

	2013 £ 000	2012 £ 000
Purchase of tangible fixed assets	(330)	(245)
Sale of tangible fixed assets	-	3
Capital grants from DfE	<u>936</u>	<u>28</u>
Net cash inflow/(outflow) from capital expenditure and financial investment	<u>606</u>	<u>(214)</u>

25 Analysis of changes in net funds

	At 1 September 2012 £ 000	Cash flows £ 000	At 31 August 2013 £ 000
Cash at bank and in hand	<u>746</u>	<u>423</u>	<u>1,169</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

26 Members' liability

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

27 Pension and similar obligations

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon County Council Both are defined benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 August 2012

Contributions amounting to £78,000 (2012 - £73,000) were payable to the schemes at 31 August and are included within creditors

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament 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 under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

27 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

27 Pension and similar obligations (continued)

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £251,000 (2012 - £237,000), of which employer's contributions totalled £192,000 (2012 - £181,000) and employees' contributions totalled £59,000 (2012 - £56,000). The agreed contribution rates for future years are 19.7% per cent for employers and 5.5 - 7.2% per cent for employees.

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

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

27 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2013 %	At 31 August 2012 %
Rate of increase in salaries	5.10	4.10
Rate of increase for pensions in payment/inflation	2.90	1.90
Discount rate for scheme liabilities	4.70	3.90
Inflation assumptions (CPI)	2.90	1.90
RPI increases	<u>3.70</u>	<u>2.70</u>

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below

	+ 0.1% £ 000	0.0% £ 000	- 0.1% £ 000
Adjustment to discount rate			
Present value of total obligation	2,655	2,735	2,818
Projected service cost	<u>284</u>	<u>294</u>	<u>305</u>

	+ 1 Year £ 000	None £ 000	- 1 Year £ 000
Adjustment to mortality age rating assumption			
Present value of total obligation	2,636	2,735	2,836
Projected service cost	<u>281</u>	<u>294</u>	<u>307</u>

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

	At 31 August 2013	At 31 August 2012
Retiring today		
Males retiring today	20.60	20.50
Females retiring today	24.60	24.50
Retiring in 20 years		
Males retiring in 20 years	22.60	22.50
Females retiring in 20 years	<u>26.50</u>	<u>26.40</u>

The academy's share of the assets and liabilities in the scheme were

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

27 Pension and similar obligations (continued)

	At 31 August 2013 £ 000	At 31 August 2012 £ 000
Equities	736	536
Gilts	160	125
Property	110	54
Cash	37	45
Other	<u>184</u>	<u>134</u>
Total market value of assets	1,227	894
Present value of scheme liabilities - funded	<u>(2,735)</u>	<u>(2,201)</u>
Deficit in the scheme	<u>(1,508)</u>	<u>(1,307)</u>

The expected rates of return were

	At 31 August 2013 %	At 31 August 2012 %
Equities	7.00	6.30
Gilts	3.50	2.80
Other bonds	4.40	3.90
Property	6.00	5.30
Cash	50	50
Other	<u>5.00</u>	<u>4.70</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £133,000 (2012 - £57,000)

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

27 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2013 £ 000	2012 £ 000
Current service cost	273	198
Total operating charge	<u>273</u>	<u>198</u>

Analysis of pension finance income/(costs)

	2013 £ 000	2012 £ 000
Expected return on pension scheme assets	52	45
Interest on pension liabilities	<u>(91)</u>	<u>(85)</u>
Pension finance costs	<u>(39)</u>	<u>(40)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£442,000) (2012 - (£361,000))

Movements in the present value of defined benefit obligation

	2013 £ 000	2012 £ 000
At 1 September	2,201	1,453
Current service cost	273	198
Interest cost	91	85
Employee contributions	59	56
Actuarial losses	162	421
Benefits paid	<u>(51)</u>	<u>(12)</u>
At 31 August	<u>2,735</u>	<u>2,201</u>

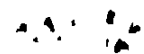
Movements in the fair value of academy's share of scheme assets

	2013 £ 000	2012 £ 000
At 1 September	894	612
Expected return on assets	52	45
Actuarial gains	81	12
Employer contributions	192	181
Employee contributions	59	56
Benefits paid	<u>(51)</u>	<u>(12)</u>
At 31 August	<u>1,227</u>	<u>894</u>

The estimated value of employer contributions for next period is £191,000 (2012 - £181,000)

History of experience adjustments

Amounts for the current period are as follows



Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

27 Pension and similar obligations (continued)

	2013	2012
	£ 000	£ 000
	2013	2012
	£ 000	£ 000
Experience adjustments arising on scheme assets	81	12
Experience adjustments arising on scheme liabilities	-	-

Comparative figures have not been restated as permitted by FRS 17

28 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of directors 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.

The company has taken advantage of the exemption given in FRS 8 not to disclose group transactions.