

Teignmouth Learning Trust

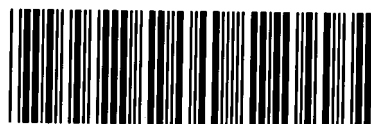
(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2018

Registration number: 07519888

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Teignmouth Learning Trust

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Teignmouth Learning Trust

Reference and Administrative Details

Members Dr A P Gray
Mr M J Cox
Mrs K M Quinn
Mr G G Bond
Mr M P Moore

Chief Executive Officer Dr A P Gray

Directors (Trustees) Mr J Beardmore (resigned 22 March 2018)
Mr A P Flanagan
Dr A P Gray
Mrs P S Henchie
Mrs P M Kerr
Mr A A Lumb (resigned 5 October 2017)
Mr V G Millard, Vice chair
Mrs S Minty-Dyke
Mr M P Moore, Chair
Mr J D Newman (appointed 22 March 2018)
Mrs K M Quinn
Ms S Sabourin (appointed 4 October 2018)
Ms S Schooling (resigned 4 October 2018)
Mr J Spicer (appointed 22 March 2018)
Mr M J Stean

Company Secretary Mr S R Deeming

Senior Management Team Dr A P Gray, CEO - Teignmouth Community School
Mr J Beardmore, Principal - Teignmouth Community School (resigned 22 March 2018)
Mrs K Quinn, Principal - Teignmouth Community School
Mr J Newman, Senior Vice Principal - Teignmouth Community School
Ms G Endacott, Vice Principal - Teignmouth Community School
Ms R Mullins, Vice Principal - Teignmouth Community School
Ms K Ray, Vice Principal - Teignmouth Community School
Mr R Willmott, Assistant Principal - Teignmouth Community School
Ms M Stone, Assistant Principal - Teignmouth Community School (resigned 31 October 2017)
Ms A Thomas, Deputy Principal - Teignmouth Community School
Mr S R Deeming, Assistant Principal - Teignmouth Community School (Mat cover)
Mr P Humphries, Associate Assistant Principal - Teignmouth Community School
Mrs S Atkinson, Associate Assistant Principal - Teignmouth Community School
Mrs J Housecroft, Associate Assistant Principal - Teignmouth Community School

Company Registration Number 07519888

Teignmouth Learning Trust

Reference and Administrative Details (continued)

Independent Auditors	PKF Francis Clark Chartered Accountants and Statutory Auditor Sigma House Oak View Close Edginswell Park Torquay Devon TQ2 7FF
Bankers	Lloyds Bank PLC 41 Courtenay Street Newton Abbot TQ12 2QW
Solicitors	Brownejacobson LLP 1 Manor Court Dix's Field Exeter Devon EX1 1UP

Teignmouth Learning Trust

Directors' Report for the Year Ended 31 August 2018

The Directors 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 purposes of both a Trustees' report, and a Directors' report under company law.

The Academy Trust operates one primary and secondary school in the South West. Its academies have a combined pupil capacity of 1,406 (excluding the nursery). At the point of the May census the Secondary School had 1036 on roll including the 6th Form. The Primary School had 355 including Nursery. The total number on roll for the Trust was 1391.

Structure, Governance and Management

The Academy Trust comprises one secondary school and one primary school.

Constitution

The Academy Trust is a company limited by guarantee, and is an exempt charity, which was incorporated on 7 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.

Governors

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 Governors 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 CEO and their executive team, which includes two Principals, one Senior Vice Principal, three Vice Principals, four Assistant Principals and three Associate Assistant Principals,

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.

Teignmouth Learning Trust

Directors' Report for the Year Ended 31 August 2018 (continued)

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 4

Parent Directors 4

Staff Directors 5

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.

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 Governors. All governors are required to attend and ensure that their knowledge and expertise are up to date. The training and induction provided for the new Governors will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there will normally only be two or three new Governors a year, induction will be done informally and will be tailored specifically to the individual. Mentoring of new Governors 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 governors. The purpose of this structure is to ensure participation by all parties. The Governors 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 CEO, 2 Principals, 1 Senior Vice Principal, 3 Vice Principals, 4 Assistant Principals and 3 Associate Assistant Principals. These managers control the Academy at an executive level implementing the policies agreed by the Governors 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 Governor. These managers are also responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

This is set according to our Pay Policy, this is based on Teacher Pay and Conditions and NJC T and Cs. For Leadership members comparisons are made to similar roles Nationally and similar size organisations. No Directors or Trustees are paid for their services to the Teignmouth Learning Trust.

Teignmouth Learning Trust

Directors' Report for the Year Ended 31 August 2018 (continued)

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 Governors have implemented management systems, namely policy development and a regular schedule of policy review, alongside reporting to governor 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.

- Canonteign Sea Cadets
- Exeter City Football Club
- Fun In School Holidays (FISH)

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 –

Key priorities across both sites for the coming year are;

1. Differentiation
2. Quality of feedback
3. Active participation of all pupils

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 2018 (continued)

Strategic Report

Achievements and performance

School Performance:

The Academy receives funding for the provision of education from the Department for Education (DfE) via the Young People's Learning Agency (YPLA).

MILL LANE (PRIMARY)

EYFS

82% of children achieved Good Levels of Development

PHONICS

87% of children met the expected standard in the Year 1 Phonics check

KS1 SATs

Reading – 71% children met the expected standard

Writing – 65% children met the expected standard

Maths – 71% children met the expected standard

KS2 SATS

Reading – 74% children met the expected standard

Writing – 78% children met the expected standard

Maths – 70% children met the expected standard

GPS – 80% children met the expected standard

Combined RWM – 63% children met the combined score

EXETER ROAD (SECONDARY)

KS4 – 154 Students

Progress 8: -0.07

Attainment 8: 44.06

Entered EBacc: 35.7%

Achieving EBacc: 13%

Basics (Eng & Ma) 31.17%

KS5 – 117 Students

Average A-level grade C

Average Applied grade Merit+

Average Tech level grade Distinction-

KS5 Retake Average Progress

English Progress 0.64 grades (approximately 2/3 students went up a grade)

Maths Progress 0.34 grades (approximately 1/3 students went up a grade)

Going Concern

After making appropriate enquiries, the Governing Body 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.

Teignmouth Learning Trust

Directors' Report for the Year Ended 31 August 2018 (continued)

Strategic Report (continued)

Financial Review

The main sources of funding for the trust are the General Annual Grant from the ESFA, Special Educational Needs / High Needs grant from the LA and Early Years Funding for children in the nursery. Incoming resources in the periods totalled £7,898,000 (2017 £9,106,000) and resources expended totalled £8,087,000 (2017 £8,654,000). The total net movement in funds for the period was a £189,000 deficit (2017 surplus £913,000). The surplus on the restricted general and unrestricted funds for the trust increased in the period by £98,000 (2017 decrease of £140,000).

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 Board continues to review the overall reserves policy to ensure it is appropriate. The current objective is to have reserves of £200,000 – to provide a contingency in the event of unforeseen circumstances. The current reserves are below this level, but have increased within the year. Plans will be made to return the reserves to this figure over the coming period.

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.

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.

Fundraising

Teignmouth Learning Trust does not undertake any fundraising activities.

Teignmouth Learning Trust

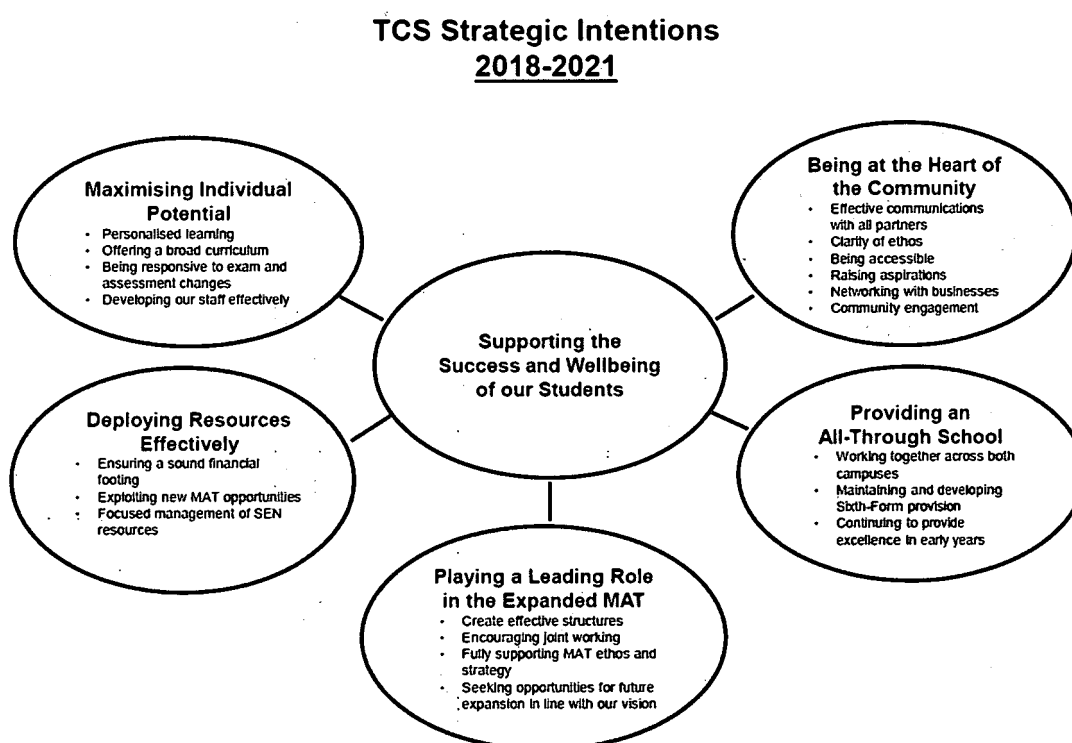
Directors' Report for the Year Ended 31 August 2018 (continued)

Strategic Report (continued)

Plans for future periods

The Governors have agreed the following strategic intentions for Teignmouth Community School:

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



It is the intention of the governors to expand the MAT in the near future (February 2019) to include Kenn C of E Primary school, Kenton Primary school, and Cockwood Primary school.

Teignmouth Learning Trust

Directors' Report for the Year Ended 31 August 2018 (continued)

Funds held as Custodian Trustee on Behalf of Others

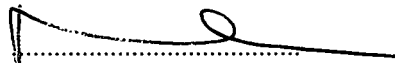
The Trust and its Directors do not act as custodian trustees for any other charities.

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.

The Directors' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 10/12/18 and signed on its behalf by:



Mrs P M Kerr
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 Dr 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 J Beardmore	3	4
Mr A P Flanagan	5	6
Dr A P Gray	6	6
Mrs P M Kerr	6	6
Mrs P S Henchie	5	6
Mr V G Millard	6	6
Mrs K M Quinn	6	6
Ms S Schooling	4	6
Mr M J Stean	5	6
Mrs S Minty-Dyke	6	6
Mr M P Moore	5	6
Mr A A Lumb	0	1
Mr J D Newman	3	3
Mr J Spicer	2	3

Governance reviews

The governors reviewed the effectiveness of their work and established a portfolio system, when the academy trust was established in 2011. This linked the work of governors directly with members of the senior leadership team. This structure has been reviewed annually. The portfolio areas are; Personal Development, Behaviour and Welfare, Quality of Teaching, Learning and Assessment, Effectiveness of Leadership and Management, Outcomes for Children and other learners, Finance, Human Resources and Physical Resources. Portfolio reports are submitted for each half termly meeting.

In 2014, the governors recognised that the level of financial scrutiny has increased in the last three years and so set out to create a finance committee to receive and scrutinise management accounts. This committee has been established.

The portfolio system will continue to be reviewed on an annual basis.

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to receive and scrutinise management accounts. Attendance at meetings during the year was as follows:

Teignmouth Learning Trust

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
Mr J Beardmore	4	4
Ms G Endacott	2	2
Mr A P Flanagan	4	6
Dr A P Gray	5	6
Mr V G Millard	6	6
Ms H Millward	6	6
Mr M P Moore	4	6
Mrs K Quinn	4	6
Mr J D Newman	6	6

Review of Value for Money

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

The Accounting Officer considers how the 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 available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Reviewing the curriculum for the sixth form, and for students entering KS4 to ensure that the curriculum matches the needs of students but also offers value for money in terms of the minimum group sizes that are able to be planned.
- The academy prepares management accounts on a monthly basis, and these are profiled to enable monitoring against agreed budget costs.
- These are received by the finance committee twice each term and monitored by the board of Directors.
- Regular budget updates are provided, enabling short and longer term budget decisions to be made appropriately.
- Most contracts are reviewed on an annual basis to ensure that they are fit for purpose and offer best value.
- The School provides in house solutions for grounds, maintenance, cleaning and catering because this is considered to provide the best value.
- The school tendering policy ensures that tenders/quotes are obtained as appropriate to ensure value for money with all major projects and purchases. These are set out within the internal financial handbook.
- Benchmarking processes are carried out as part of each budget review, and used to inform future planning.
- Teignmouth Educational Services, is a wholly owned trading subsidiary of the Academy Trust, and is a vehicle to manage the trading activities of the Trust to maximise income that can be used to further its educational aims.
- As a member of PIXL the school aims to share good practice, to contribute to and learn from schools across the country in a range of settings to further improve our current position.

Teignmouth Learning Trust

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Teignmouth Learning Trust for the year ended 31 August 2018 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2018 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:

- to appoint Mr R Wilcocks as internal auditor

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

The internal auditor did not visit the Academy during the financial year 2017/18. This was due to changes within the leadership structure of the school, and the availability of the Senior Finance officer. The responsible officer visits are more frequent after 31 August 2018.

Teignmouth Learning Trust

Governance Statement (continued)

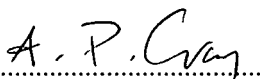
Review of Effectiveness

As Accounting Officer, Dr 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 internal auditor;
- 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.

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

Approved by order of the Directors on 19/12/18..... and signed on its behalf by:



.....
Dr A P Gray
Accounting Officer



.....
Mrs P M Kerr
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 & 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 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 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 Governing Body and ESFA.

A. P. Gray

Dr A P Gray
Accounting officer

Date: 10/12/18

Teignmouth Learning Trust

Statement of Directors' Responsibilities

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

Company law requires the 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:

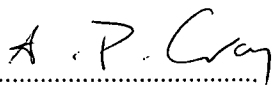
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board on 15/12/18 and signed on its behalf by:



Dr A P Gray
Governor and trustee

Teignmouth Learning Trust

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

Opinion

We have audited the financial statements of Teignmouth Learning Trust (the 'Academy') and its subsidiaries (the 'Group') for the year ended 31 August 2018, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, Consolidated Balance Sheet, Academy Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent Academy's affairs as at 31 August 2018 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

Teignmouth Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Teignmouth Learning Trust (continued)

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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' 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 Group and the parent Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 15], the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 auditor's 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 auditor's report.

Teignmouth Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Teignmouth Learning Trust (continued)

Use of our report

This report is made solely to the charitable parent company'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 parent company's Members 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 parent company and its Members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

Sharon Austen FCCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

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

Date: *13 December 2018*

Teignmouth Learning Trust

Independent Reporting Accountant's Assurance Report on Regularity to Teignmouth Learning Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 October 2018 and further to the requirements of the Education and 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 Teignmouth Learning Trust during the period 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 Teignmouth Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Teignmouth Learning 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 Teignmouth Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body' Accounting Officer and the reporting Accountant

The Accounting Officer is responsible, under the requirements of Teignmouth Learning Trust's funding agreement with the Secretary of State for Education dated 1 February 2011 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 from 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 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.

Teignmouth Learning Trust

Independent Reporting Accountant's Assurance Report on Regularity to Teignmouth Learning Trust and the Education & Skills Funding Agency (continued)

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 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.

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Sharon Austen FCCA

PKF Francis Clark, Chartered Accountants

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

Date: 13 December 2018

Teignmouth Learning Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2018 £ 000
Income and endowments from:					
Donations and capital grants	2	-	-	139	139
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	187	7,125	-	7,312
Other trading activities	4	447	-	-	447
Total		634	7,125	139	7,898
Expenditure on:					
Raising funds		338	-	-	338
<i>Charitable activities:</i>					
Academy trust educational operations		200	7,520	431	8,151
Total	5	538	7,520	431	8,489
Net incoming/(outgoing) resources before transfers		96	(395)	(292)	(591)
Transfers between funds		(7)	2	5	-
Net income/(expenditure) for the year		89	(393)	(287)	(591)
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	921	-	921
Net movement in funds/(deficit)		89	528	(287)	330
Reconciliation of funds					
Total Funds/(deficit) brought forward at 1 September 2017		224	(4,035)	18,160	14,349
Total Funds/(deficit) carried forward at 31 August 2018		313	(3,507)	17,873	14,679

Teignmouth Learning Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2017 £ 000
Income and endowments from:					
Donations and capital grants	2	-	-	1,310	1,310
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	175	7,139	-	7,314
Other trading activities	4	482	-	-	482
Total		657	7,139	1,310	9,106
Expenditure on:					
Raising funds	5	353	-	-	353
<i>Charitable activities:</i>					
Academy trust educational operations		222	7,593	486	8,301
Total		575	7,593	486	8,654
Net income/(expenditure)		82	(454)	824	452
Transfers between funds		(4)	(117)	121	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	480	-	480
Profit/loss on fixed asset disposal		-	(19)	-	(19)
Net movement in funds/(deficit)		78	(110)	945	913
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		146	(3,925)	17,215	13,436
Total funds/(deficit) carried forward at 31 August 2017		224	(4,035)	18,160	14,349

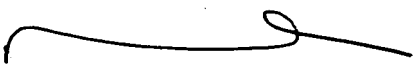
Teignmouth Learning Trust

(Registration number: 07519888)

Consolidated Balance Sheet as at 31 August 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Tangible assets	11	17,867	17,904
Current assets			
Stocks	13	41	38
Debtors	14	209	606
Cash at bank and in hand		477	638
		<u>727</u>	<u>1,282</u>
Creditors: Amounts falling due within one year	15	<u>(605)</u>	<u>(1,017)</u>
Net current assets		<u>122</u>	<u>265</u>
Total assets less current liabilities		17,989	18,169
Creditors: Amounts falling due after more than one year	16	<u>(9)</u>	<u>-</u>
Net assets excluding pension liability		17,980	18,169
Pension scheme liability	25	<u>(3,301)</u>	<u>(3,820)</u>
Net assets including pension liability		<u>14,679</u>	<u>14,349</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(206)	(215)
Restricted fixed asset fund		17,873	18,160
Restricted pension fund		<u>(3,301)</u>	<u>(3,820)</u>
		14,366	14,125
Unrestricted funds			
Unrestricted general fund		<u>313</u>	<u>224</u>
Total funds		<u>14,679</u>	<u>14,349</u>

The financial statements on pages 21 to 63 were approved by the Directors, and authorised for issue on 16/12/18 and signed on their behalf by:



 Mrs P M Kerr
 Governor and trustee


Teignmouth Learning Trust

(Registration number: 07519888)

Balance Sheet as at 31 August 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Tangible assets	11	17,867	17,897
Current assets			
Stocks	13	41	38
Debtors	14	227	648
Cash at bank and in hand		452	592
		<u>720</u>	<u>1,278</u>
Creditors: Amounts falling due within one year	15	<u>(599)</u>	<u>(1,012)</u>
Net current assets		<u>121</u>	<u>266</u>
Total assets less current liabilities		17,988	18,163
Creditors: Amounts falling due after more than one year	16	<u>(9)</u>	<u>-</u>
Net assets excluding pension liability		17,979	18,163
Pension scheme liability	25	<u>(3,301)</u>	<u>(3,820)</u>
Net assets including pension liability		<u>14,678</u>	<u>14,343</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(206)	(215)
Restricted fixed asset fund		17,873	18,160
Restricted pension fund		<u>(3,301)</u>	<u>(3,820)</u>
		14,366	14,125
Unrestricted funds			
Unrestricted general fund		<u>312</u>	<u>218</u>
Total funds		<u>14,678</u>	<u>14,343</u>

The financial statements on pages 21 to 63 were approved by the Directors, and authorised for issue on 16/12/18 and signed on their behalf by:



 Mrs P M Kerr
 Governor and trustee

Teignmouth Learning Trust

Consolidated Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £ 000	2017 £ 000
Cash flows from operating activities			
Net cash provided by operating activities	20	83	165
Cash flows from investing activities	22	(255)	88
Cash flows from financing activities	21	<u>11</u>	<u>-</u>
Change in cash and cash equivalents in the year		(161)	253
Cash and cash equivalents at 1 September		<u>638</u>	<u>385</u>
Cash and cash equivalents at 31 August	23	<u><u>477</u></u>	<u><u>638</u></u>

Teignmouth Learning Trust

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), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

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.

Teignmouth Learning Trust meets the definition of a public benefit entity under FRS 102.

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. The Directors 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.

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 statement of financial activities is published, a separate statement of financial activities for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, 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
Furniture and fixtures
Plant and equipment

Depreciation method and rate

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

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

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 14. Prepayments are not financial instruments. Amounts due to the charity'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 cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms, stationery and catering stocks are valued at the lower of cost or 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 2018 (continued)

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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 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 Education Skills Funding Agency/Department for Education.

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

Agency accounting

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

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 12. Profits generated by the subsidiary will be passed to the Academy via gift aid.

2 Donations and capital grants

	Restricted fixed asset funds £ 000	2017/18 Total £ 000	2016/17 Total £ 000
Capital grants	139	139	1,303
Other donations	-	-	7
	<u>139</u>	<u>139</u>	<u>1,310</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

3 Funding for Academy's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	2017/18 Total £ 000	2016/17 Total £ 000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	6,264	6,264	6,383
Pupil Premium	-	336	336	357
Other ESFA Grants	-	32	32	19
Universal Infant Free School Meals	-	40	40	37
MAT Expansion Grant	-	75	75	-
	<u>-</u>	<u>6,747</u>	<u>6,747</u>	<u>6,796</u>
Other government grants				
SEN / High Needs Income	-	86	86	92
Other LA Revenue Grants	-	188	188	140
	<u>-</u>	<u>274</u>	<u>274</u>	<u>232</u>
Non-government grants and other income				
Grants and Other Income	-	21	21	21
Educational Trips	-	83	83	90
Catering	187	-	187	175
	<u>187</u>	<u>104</u>	<u>291</u>	<u>286</u>
Total grants	<u>187</u>	<u>7,125</u>	<u>7,312</u>	<u>7,314</u>

4 Other trading activities

	Unrestricted funds £ 000	2017/18 Total £ 000	2016/17 Total £ 000
Hire of facilities	33	33	34
School shop sales	45	45	40
Recharges and reimbursements	42	42	13
Other income	64	64	96
Income from other charitable activities	263	263	299
	<u>447</u>	<u>447</u>	<u>482</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

5 Expenditure

	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total 2018 £ 000	Total 2017 £ 000
Expenditure on raising funds - direct costs	193	3	142	338	353
Academy's educational operations					
Direct costs	4,766	431	281	5,478	5,565
Allocated support costs	1,500	444	729	2,673	2,736
	<u>6,266</u>	<u>875</u>	<u>1,010</u>	<u>8,151</u>	<u>8,301</u>
	<u>6,459</u>	<u>878</u>	<u>1,152</u>	<u>8,489</u>	<u>8,654</u>

Net incoming/outgoing resources for the year include:

	2018 £ 000	2017 £ 000
Operating leases - other	69	68
Fees payable to auditor - audit	9	9
Fees payable to auditor - other accountancy services	7	5
(Profit) / loss on disposal of tangible fixed assets	<u>-</u>	<u>19</u>

6 Charitable activities

	Total 2018 £ 000	Total 2017 £ 000
Direct costs - educational operations	5,478	5,565
Support costs - educational operations	<u>2,673</u>	<u>2,736</u>
	<u>8,151</u>	<u>8,301</u>
Educational operations £ 000	Total 2018 £ 000	Total 2017 £ 000
Analysis of support costs		
Support staff costs	1,500	1,504
Premises costs	444	505
Other support costs	688	685
Governance costs	<u>41</u>	<u>42</u>
Total support costs	<u>2,673</u>	<u>2,736</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

7 Staff

	2018 £ 000	2017 £ 000
Staff costs during the year were:		
Wages and salaries	4,921	4,897
Social security costs	433	417
Pension costs	1,060	1,009
Supply teacher costs	46	157
Staff restructuring costs	30	10
	<u>6,490</u>	<u>6,490</u>

	2018 £ 000	2017 £ 000
Staff restructuring costs comprise:		
Severance payments	<u>30</u>	<u>10</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £29,500 (2017: £10,000). Individually, the payments were:
Non-contractual payments £29,500 made on 10 May 2018

Staff numbers

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

	2018 No	2017 No
Charitable Activities		
Teachers	129	128
Administration and support	39	34
Management	13	10
	<u>181</u>	<u>172</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

7 Staff (continued)

Staff numbers

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

	2018 No	2017 No
Charitable Activities		
Teachers	160	170
Administration and support	81	60
Management	14	10
	<u>255</u>	<u>240</u>

Higher paid staff

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

	2018 No	2017 No
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
£80,001 - £90,000	<u>1</u>	<u>1</u>

The key management personnel of the Academy Trust comprise the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £724,733 (2017: £672,871).

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Related party transactions - trustees' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Directors' remuneration and other benefits was as follows:

Dr A P Gray (CEO / Principal):

Remuneration: £40,000 - £45,000 (2017 - £35,000 - £40,000)

Employer's pension contributions: £Nil (2017 - £Nil)

Mrs R Dennis (Teacher):

Remuneration: £Nil (2017 - £0 - £5,000)

Employer's pension contributions: £Nil (2017 - £0 - £5,000)

Mrs K M Quinn (Principal):

Remuneration: £60,000 - £65,000 (2017 - £50,000 - £55,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £5,000 - £10,000)

Mr J Beardmore (Principal):

Remuneration: £45,000 - £50,000 (2017 - £70,000 - £75,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £10,000 - £15,000)

Mrs S Minty-Dyke (Teacher):

Remuneration: £20,000 - £25,000 (2017 - £20,000 - £25,000)

Employer's pension contributions: £0 - £5,000 (2017 - £0 - £5,000)

Mr J D Newman (Principal):

Remuneration: £35,000 - £40,000 (2017 - £Nil)

Employer's pension contributions: £5,000 - £10,000 (2017 - £Nil)

During the year ended 31 August 2018, travel and expenses totalling £1,694 (2017 - £1,175) were reimbursed to 2 trustee (2017 - 1).

Other related party transactions involving the trustees are set out in note 26.

9 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 £5,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the insurance scheme as 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 2018 (continued)

10 Connected charities

Teignmouth Community College Awards Fund is a connected charity and it is related to the Academy Trust as follows: The School's prize fund and charity giving organisation.

- The aggregate amount of the entity's assets is £3,000
- The aggregate amount of the entity's liabilities is £Nil
- The aggregate amount of the entity's funds is £3,000
- The total turnover of the entity is £2,000
- The total expenditure of the entity is £2,000
- Profit for the year is £Nil

11 Tangible fixed assets

Group

	Leasehold land and buildings £ 000	Furniture and fixtures £ 000	Plant and equipment £ 000	Total £ 000
Cost				
At 1 September 2017	19,542	710	248	20,500
Additions	342	30	22	394
At 31 August 2018	19,884	740	270	20,894
Depreciation				
At 1 September 2017	1,810	585	201	2,596
Charge for the year	331	75	25	431
At 31 August 2018	2,141	660	226	3,027
Net book value				
At 31 August 2018	17,743	80	44	17,867
At 31 August 2017	17,732	125	47	17,904

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

11 Tangible fixed assets (continued)

Company

	Leasehold land and buildings £ 000	Furniture and fixtures £ 000	Plant and equipment £ 000	Total £ 000
Cost				
At 1 September 2017	19,534	697	248	20,479
Additions	349	30	22	401
At 31 August 2018	19,883	727	270	20,880
Depreciation				
At 1 September 2017	1,810	572	201	2,583
Charge for the year	330	75	25	430
At 31 August 2018	2,140	647	226	3,013
Net book value				
At 31 August 2018	17,743	80	44	17,867
At 31 August 2017	17,724	125	47	17,896

12 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 2018 was £263,000 (2017: £299,000), expenditure was £269,000 (2017: £284,000) and the profit/(loss) for the year was (£6,000) (2017: £15,000). The assets of the company at 31 August 2018 were £33,000 (2017: £57,000), liabilities were £32,000 (2017: £50,000) and capital and reserves were £1,000 (2017: £7,000).

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

13 Stock

	Group		Company	
	2018	2017	2018	2017
	£ 000	£ 000	£ 000	£ 000
Catering	13	16	13	16
Uniform	24	17	24	17
Stationery	4	5	4	5
	<u>41</u>	<u>38</u>	<u>41</u>	<u>38</u>

14 Debtors

	Group		Company	
	2018	2017	2018	2017
	£ 000	£ 000	£ 000	£ 000
Trade debtors	27	47	27	47
Amounts due from subsidiary undertaking	-	-	25	45
VAT recoverable	35	79	35	79
Prepayments	67	57	67	57
Accrued grant and other income	80	423	73	420
	<u>209</u>	<u>606</u>	<u>227</u>	<u>648</u>

15 Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£ 000	£ 000	£ 000	£ 000
Trade creditors	117	173	117	173
Other taxation and social security	106	98	106	98
Other creditors	3	4	3	4
Pension scheme creditor	89	87	89	87
Loans	2	-	2	-
Accruals	198	600	194	596
Deferred income	90	55	88	54
	<u>605</u>	<u>1,017</u>	<u>599</u>	<u>1,012</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Creditors: amounts falling due within one year (continued)

Group

	2018 £ 000	2017 £ 000
Deferred income		
Deferred income at 1 September	55	68
Resources deferred in the period	90	55
Amounts released from previous periods	<u>(55)</u>	<u>(68)</u>
Deferred income at 31 August	<u>90</u>	<u>55</u>

At the balance sheet date the Academy Trust was holding funds received in advance for rates income, UIFSM, rental income and memberships.

Company

	2018 £ 000	2017 £ 000
Deferred income		
Deferred income at 1 September	54	66
Resources deferred in the period	88	54
Amounts released from previous periods	<u>(54)</u>	<u>(66)</u>
Deferred income at 31 August	<u>88</u>	<u>54</u>

At the balance sheet date the Academy Trust was holding funds received in advance for rates income, UIFSM, rental income and memberships.

16 Creditors: amounts falling due after one year

	Group 2018 £ 000	Company 2018 £ 000
Loans	<u>9</u>	<u>9</u>

Loans of £10,500 from ESFA which is provided on the following terms: a salix loan repayable in equal instalments over 8 years, which is interest free

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds

Group

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	(200)	6,264	(6,259)	8	(187)
Pupil Premium	-	336	(335)	-	1
PE & Sport Premium	-	19	(19)	-	-
SEN / High Needs Income	-	86	(86)	-	-
LA - School Standards Fund	8	120	(128)	-	-
LA - Local Learning Community	(2)	-	-	-	(2)
Comenius Funding	6	-	(6)	-	-
Universal Infant Free School Meals	-	40	(40)	-	-
Mutual Fund Income	11	19	(30)	-	-
Stepping Stone Fund	8	-	(8)	-	-
LA - Local Learning Music	(5)	3	(5)	-	(7)
Educational Trips	(44)	83	(86)	-	(47)
Other LA Funds	(2)	2	(2)	-	(2)
ESFA Year 7 Catch Up Grant	-	13	(13)	-	-
Summer School	(2)	-	-	-	(2)
Outdoor classroom	7	3	(3)	(6)	1
Sea Cadets	-	2	(2)	-	-
MAT Expansion grant	-	75	(36)	-	39
LA - Strategic Grant	-	60	(60)	-	-
	<u>(215)</u>	<u>7,125</u>	<u>(7,118)</u>	<u>2</u>	<u>(206)</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted fixed asset funds					
DfE / EFA Capital Grants	3,271	115	(93)	(57)	3,236
Other LA Capital	13,910	24	(246)	(8)	13,680
Capital Expenditure from GAG	423	-	(80)	57	400
Capital Insurance Proceeds	273	-	(6)	-	267
Football Foundation	191	-	(4)	-	187
Capital Expenditure from Unrestricted	85	-	(2)	7	90
Sea Cadets	7	-	-	-	7
Outdoor classroom	-	-	-	6	6
	<u>18,160</u>	<u>139</u>	<u>(431)</u>	<u>5</u>	<u>17,873</u>
Restricted pension funds					
Defined Benefit Pension Liability	<u>(3,820)</u>	<u>-</u>	<u>(402)</u>	<u>921</u>	<u>(3,301)</u>
Total restricted funds	14,125	7,264	(7,951)	928	14,366
Unrestricted funds					
Unrestricted general funds	<u>224</u>	<u>634</u>	<u>(538)</u>	<u>(7)</u>	<u>313</u>
Total funds	<u>14,349</u>	<u>7,898</u>	<u>(8,489)</u>	<u>921</u>	<u>14,679</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

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

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
Restricted general funds					
General Annual Grant (GAG)	2	6,383	(6,449)	(136)	(200)
Pupil Premium	-	357	(357)	-	-
PE & Sport Premium	-	9	(9)	-	-
SEN / High Needs Income.	-	92	(92)	-	-
LA - School Standards Fund	-	111	(103)	-	8
LA - Local Learning Community	6	15	(23)	-	(2)
Comenius Funding	6	-	-	-	6
Universal Infant Free School Meals	-	37	(37)	-	-
Mutual Fund Income	-	11	-	-	11
Stepping Stone Fund	8	-	-	-	8
LA - Local Learning Music	-	6	(11)	-	(5)
Educational Trips	(16)	90	(118)	-	(44)
Other LA Funds	(1)	8	(9)	-	(2)
ESFA Year 7 Catch Up Grant	-	10	(10)	-	-
Summer School	(2)	-	-	-	(2)
Outdoor classroom	-	10	(3)	-	7
	<u>3</u>	<u>7,139</u>	<u>(7,221)</u>	<u>(136)</u>	<u>(215)</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
Restricted fixed asset funds					
DfE / EFA Capital Grants	2,388	1,010	(127)	-	3,271
Other LA Capital	13,847	293	(230)	-	13,910
Capital Expenditure from GAG	419	-	(113)	117	423
Capital Insurance Proceeds	282	-	(9)	-	273
Football Foundation	195	-	(4)	-	191
Capital Expenditure from Unrestricted	83	-	(2)	4	85
Summer School	1	-	(1)	-	-
Sea Cadets	-	7	-	-	7
	<u>17,215</u>	<u>1,310</u>	<u>(486)</u>	<u>121</u>	<u>18,160</u>
Restricted pension funds					
Defined Benefit Pension Liability	<u>(3,928)</u>	<u>-</u>	<u>(372)</u>	<u>480</u>	<u>(3,820)</u>
Total restricted funds	13,290	8,449	(8,079)	465	14,125
Unrestricted funds					
Unrestricted general funds	<u>146</u>	<u>657</u>	<u>(575)</u>	<u>(4)</u>	<u>224</u>
Total funds	<u>13,436</u>	<u>9,106</u>	<u>(8,654)</u>	<u>461</u>	<u>14,349</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	2	12,647	(12,708)	(128)	(187)
Pupil Premium	-	693	(692)	-	1
PE & Sport Premium	-	28	(28)	-	-
SEN / High Needs Income	-	178	(178)	-	-
LA - School Standards Fund	-	231	(231)	-	-
LA - Local Learning Community	6	15	(23)	-	(2)
Comenius Funding	6	-	(6)	-	-
Universal Infant Free School Meals	-	77	(77)	-	-
Mutual Fund Income	-	30	(30)	-	-
Stepping Stone Fund	8	-	(8)	-	-
LA - Local Learning Music	-	9	(16)	-	(7)
Educational Trips	(16)	173	(204)	-	(47)
Other LA Funds	(1)	10	(11)	-	(2)
ESFA Year 7 Catch Up Grant	-	23	(23)	-	-
Summer School	(2)	-	-	-	(2)
Outdoor classroom	-	13	(6)	(6)	1
Sea Cadets	-	2	(2)	-	-
MAT Expansion grant	-	75	(36)	-	39
LA - Strategic Grant	-	60	(60)	-	-
	<u>3</u>	<u>14,264</u>	<u>(14,339)</u>	<u>(134)</u>	<u>(206)</u>
Restricted fixed asset funds					
DfE / EFA Capital Grants	2,388	1,125	(220)	(57)	3,236
Other LA Capital	13,847	317	(476)	(8)	13,680
Capital Expenditure from GAG	419	-	(193)	174	400
Capital Insurance Proceeds	282	-	(15)	-	267
Football Foundation	195	-	(8)	-	187

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Capital Expenditure from					
Unrestricted	83	-	(4)	11	90
Summer School	1	-	(1)	-	-
Sea Cadets	-	7	-	-	7
Outdoor classroom	-	-	-	6	6
	<u>17,215</u>	<u>1,449</u>	<u>(917)</u>	<u>126</u>	<u>17,873</u>
Restricted pension funds					
Defined Benefit Pension Liability	<u>(3,928)</u>	<u>-</u>	<u>(774)</u>	<u>1,401</u>	<u>(3,301)</u>
Total restricted funds	13,290	15,713	(16,030)	1,393	14,366
Unrestricted funds					
Unrestricted general funds	<u>146</u>	<u>1,291</u>	<u>(1,113)</u>	<u>(11)</u>	<u>313</u>
Total funds	<u><u>13,436</u></u>	<u><u>17,004</u></u>	<u><u>(17,143)</u></u>	<u><u>1,382</u></u>	<u><u>14,679</u></u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

Company

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	(200)	6,264	(6,259)	8	(187)
Pupil Premium	-	336	(335)	-	1
PE & Sport Premium	-	19	(19)	-	-
SEN / High Needs Income	-	86	(86)	-	-
LA - School Standards Fund	8	120	(128)	-	-
Comenius Funding	6	-	(6)	-	-
LA - Local Learning Community	(2)	-	-	-	(2)
LA - Local Learning Music	(5)	3	(5)	-	(7)
Universal Infant Free School Meals	-	40	(40)	-	-
Other LA Funds	(2)	2	(2)	-	(2)
Mutual Fund Income	11	19	(30)	-	-
Stepping Stone Fund	8	-	(8)	-	-
Educational Trips	(44)	83	(86)	-	(47)
ESFA Year 7 Catch-up Grant	-	13	(13)	-	-
Summer School	(2)	-	-	-	(2)
Outdoor classroom	7	3	(3)	(6)	1
Sea Cadets	-	2	(2)	-	-
MAT Expansion grant	-	75	(36)	-	39
LA - Strategic Grant	-	60	(60)	-	-
	<u>(215)</u>	<u>7,125</u>	<u>(7,118)</u>	<u>2</u>	<u>(206)</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted fixed asset funds					
DfE / ESFA Capital Grants	3,271	115	(93)	(57)	3,236
Other LA Capital	13,910	24	(246)	(8)	13,680
Capital Expenditure from GAG	423	-	(80)	57	400
Capital Insurance Proceeds	273	-	(6)	-	267
Football Foundation	191	-	(4)	-	187
Capital Expenditure from unrestricted	85	-	(2)	7	90
Sea Cadets	7	-	-	-	7
Outdoor classroom	-	-	-	6	6
	<u>18,160</u>	<u>139</u>	<u>(431)</u>	<u>5</u>	<u>17,873</u>
Restricted pension funds					
Defined Benefit Pension Liability	<u>(3,820)</u>	<u>-</u>	<u>(402)</u>	<u>921</u>	<u>(3,301)</u>
Total restricted funds	14,125	7,264	(7,951)	928	14,366
Unrestricted funds					
Unrestricted general funds	<u>218</u>	<u>374</u>	<u>(273)</u>	<u>(7)</u>	<u>312</u>
Total funds	<u>14,343</u>	<u>7,638</u>	<u>(8,224)</u>	<u>921</u>	<u>14,678</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

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

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
Restricted general funds					
General Annual Grant (GAG)	2	6,383	(6,449)	(136)	(200)
Pupil Premium	-	357	(357)	-	-
PE & Sport Premium	-	9	(9)	-	-
SEN / High Needs Income	-	92	(92)	-	-
LA - School Standards Fund	-	111	(103)	-	8
Comenius Funding	6	-	-	-	6
LA - Local Learning Community	6	15	(23)	-	(2)
LA - Local Learning Music	-	6	(11)	-	(5)
Universal Infant Free School Meals	-	37	(37)	-	-
Other LA Funds	(1)	8	(9)	-	(2)
Mutual Fund Income	-	11	-	-	11
Stepping Stone Fund	8	-	-	-	8
Educational Trips	(16)	90	(118)	-	(44)
ESFA Year 7 Catch-up Grant	-	10	(10)	-	-
Summer School	(2)	-	-	-	(2)
Outdoor classroom	-	10	(3)	-	7
	<u>3</u>	<u>7,139</u>	<u>(7,221)</u>	<u>(136)</u>	<u>(215)</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
Restricted fixed asset funds					
DfE / ESFA Capital Grants	2,388	1,010	(127)	-	3,271
Other LA Capital	13,847	293	(230)	-	13,910
Capital Expenditure from GAG	419	-	(113)	117	423
Capital Insurance Proceeds	282	-	(9)	-	273
Football Foundation	195	-	(4)	-	191
Summer School	1	-	(1)	-	-
Capital Expenditure from unrestricted	83	-	(2)	4	85
Sea Cadets	-	7	-	-	7
	<u>17,215</u>	<u>1,310</u>	<u>(486)</u>	<u>121</u>	<u>18,160</u>
Restricted pension funds					
Defined Benefit Pension Liability	<u>(3,928)</u>	<u>-</u>	<u>(372)</u>	<u>480</u>	<u>(3,820)</u>
Total restricted funds	13,290	8,449	(8,079)	465	14,125
Unrestricted funds					
Unrestricted general funds	<u>157</u>	<u>358</u>	<u>(293)</u>	<u>(4)</u>	<u>218</u>
Total funds	<u>13,447</u>	<u>8,807</u>	<u>(8,372)</u>	<u>461</u>	<u>14,343</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	2	12,647	(12,708)	(128)	(187)
Pupil Premium	-	693	(692)	-	1
PE & Sport Premium	-	28	(28)	-	-
SEN / High Needs Income	-	178	(178)	-	-
LA - School Standards Fund	-	231	(231)	-	-
Comenius Funding	6	-	(6)	-	-
LA - Local Learning Community	6	15	(23)	-	(2)
LA - Local Learning Music	-	9	(16)	-	(7)
Universal Infant Free School Meals	-	77	(77)	-	-
Other LA Funds	(1)	10	(11)	-	(2)
Mutual Fund Income	-	30	(30)	-	-
Stepping Stone Fund	8	-	(8)	-	-
Educational Trips	(16)	173	(204)	-	(47)
ESFA Year 7 Catch-up Grant	-	23	(23)	-	-
Summer School	(2)	-	-	-	(2)
Outdoor classroom	-	13	(6)	(6)	1
Sea Cadets	-	2	(2)	-	-
MAT Expansion grant	-	75	(36)	-	39
LA - Strategic Grant	-	60	(60)	-	-
	<u>3</u>	<u>14,264</u>	<u>(14,339)</u>	<u>(134)</u>	<u>(206)</u>
Restricted fixed asset funds					
DfE / ESFA Capital Grants	2,388	1,125	(220)	(57)	3,236
Other LA Capital	13,847	317	(476)	(8)	13,680
Capital Expenditure from GAG	419	-	(193)	174	400
Capital Insurance Proceeds	282	-	(15)	-	267
Football Foundation	195	-	(8)	-	187

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Summer School	1	-	(1)	-	-
Capital Expenditure from unrestricted	83	-	(4)	11	90
Sea Cadets	-	7	-	-	7
Outdoor classroom	-	-	-	6	6
	17,215	1,449	(917)	126	17,873
Restricted pension funds					
Defined Benefit Pension Liability	(3,928)	-	(774)	1,401	(3,301)
Total restricted funds	13,290	15,713	(16,030)	1,393	14,366
Unrestricted funds					
Unrestricted general funds	157	732	(566)	(11)	312
Total funds	13,447	16,445	(16,596)	1,382	14,678

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

Restricted General Funds

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

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.

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 2018 (continued)

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	2018 £ 000	2017 £ 000
Teignmouth Community School	20	(184)
Inverteign Community and Nursery School	86	187
Total before fixed assets and pension reserve	106	3
DfE / ESFA Capital Grants	17,873	18,160
Defined Benefit Pension Liability	(3,301)	(3,820)
Total	14,678	14,343

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 School	3,764	920	141	1,012	5,837
Inverteign Community and Nursery School	1,002	276	29	274	1,581
Academy Trust	4,766	1,196	170	1,286	7,418

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Analysis of net assets between funds

Group

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	17,867	17,867
Current assets	319	402	6	727
Current liabilities	(6)	(599)	-	(605)
Creditors over 1 year	-	(9)	-	(9)
Pension scheme liability	-	(3,301)	-	(3,301)
Total net assets	<u>313</u>	<u>(3,507)</u>	<u>17,873</u>	<u>14,679</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	7	-	17,897	17,904
Current assets	222	797	263	1,282
Current liabilities	(5)	(1,012)	-	(1,017)
Pension scheme liability	-	(3,820)	-	(3,820)
Total net assets	<u>224</u>	<u>(4,035)</u>	<u>18,160</u>	<u>14,349</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Analysis of net assets between funds (continued)

Company

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	17,867	17,867
Current assets	312	402	6	720
Current liabilities	-	(599)	-	(599)
Creditors over 1 year	-	(9)	-	(9)
Pension scheme liability	-	(3,301)	-	(3,301)
Total net assets	<u>312</u>	<u>(3,507)</u>	<u>17,873</u>	<u>14,678</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	17,897	17,897
Current assets	218	797	263	1,278
Current liabilities	-	(1,012)	-	(1,012)
Pension scheme liability	-	(3,820)	-	(3,820)
Total net assets	<u>218</u>	<u>(4,035)</u>	<u>18,160</u>	<u>14,343</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

19 Financial commitments

Group

Operating leases - group

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

	2018 £ 000	2017 £ 000
Amounts due within one year	49	54
Amounts due between one and five years	41	68
Amounts due after five years	1	-
	<u>91</u>	<u>122</u>

Company

Operating leases - company

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

	2018 £ 000	2017 £ 000
Amounts due within one year	44	50
Amounts due between one and five years	35	59
Amounts due after five years	1	-
	<u>80</u>	<u>109</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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

	2018 £ 000	2017 £ 000
Net (expenditure)/income	(591)	433
Depreciation	431	456
Loss on disposal of tangible fixed assets	-	19
Donated capital and capital grants	(139)	(1,310)
Interest on defined benefit pension scheme	98	86
Service cost adjustment	304	286
(Increase)/decrease in stocks	(3)	14
Decrease/(increase) in debtors	397	(63)
(Decrease)/increase in creditors	(414)	244
Net cash inflow from operating activities	<u>83</u>	<u>165</u>

21 Cash flows from financing activities

	2018 £ 000	2017 £ 000
Repayments of borrowing	(3)	-
Cash inflows from new borrowing	<u>14</u>	<u>-</u>
Net cash provided by financing activities	<u>11</u>	<u>-</u>

22 Cash flows from investing activities

	2018 £ 000	2017 £ 000
Purchase of tangible fixed assets	(394)	(1,222)
Capital grants from ESFA/DfE	115	1,010
Capital funding received from sponsors and others	<u>24</u>	<u>300</u>
Net cash (used in)/provided by investing activities	<u>(255)</u>	<u>88</u>

23 Analysis of cash and cash equivalents

	2018 £ 000	2017 £ 000
Cash at bank and in hand	<u>477</u>	<u>638</u>
Total cash and cash equivalents	<u>477</u>	<u>638</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 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.

25 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 March 2016.

Contributions amounting to £86,000 (2017 - £88,000) 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) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

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

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

The pension costs paid to TPS in the period amounted to £510,000 (2017: £488,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £341,000 (2017 - £317,000), of which employer's contributions totalled £262,000 (2017 - £239,000) and employees' contributions totalled £79,000 (2017 - £78,000). The agreed contribution rates for future years are 15.4% plus £51,608 per annum for employers and 5.5%-12.5% for employees.

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

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

Principal actuarial assumptions

	At 31 August 2018 %	At 31 August 2017 %
Rate of increase in salaries	3.80	4.20
Rate of increase for pensions in payment/inflation	2.30	2.70
Discount rate for scheme liabilities	<u>2.65</u>	<u>2.60</u>

Sensitivity analysis on scheme liabilities

	At 31 August 2018 £000	At 31 August 2017 £000
Discount rate +0.1%	6,417	6,410
Discount rate -0.1%	6,754	6,746
Mortality assumption – 1 year increase	6,797	6,790
Mortality assumption – 1 year decrease	6,376	6,369
CPI rate +0.1%	6,729	6,713
CPI rate -0.1%	<u>6,441</u>	<u>6,443</u>

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

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 2018	At 31 August 2017
Retiring today		
Males retiring today	23.50	23.40
Females retiring today	25.60	25.50
Retiring in 20 years		
Males retiring in 20 years	25.80	25.70
Females retiring in 20 years	<u>28.00</u>	<u>27.90</u>

The academy's share of the assets in the scheme were:

	At 31 August 2018 £ 000	At 31 August 2017 £ 000
Equities	1,980	1,632
Gilts	102	85
Alternative assets	168	150
Infrastructure	118	106
Other bonds	64	68
Property	297	241
Cash and other liquid assets	51	65
Target return portfolio	<u>502</u>	<u>409</u>
Total market value of assets	<u>3,282</u>	<u>2,756</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 £183,000 (2017 - £312,000).

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2018 £ 000	2017 £ 000
Current service cost	566	525
Interest cost	96	84
Admin expenses	2	2
Total amount recognised in the SOFA	<u>664</u>	<u>611</u>

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

	2017/18 £ 000	2016/17 £ 000
At start of period	6,576	6,381
Current service cost	566	525
Interest cost	172	141
Employee contributions	79	78
Actuarial (gain)/loss	(814)	(517)
Benefits paid	4	(32)
At 31 August	<u>6,583</u>	<u>6,576</u>

Changes in the fair value of academy's share of scheme assets:

	2017/18 £ 000	2016/17 £ 000
At start of period	2,756	2,453
Interest income	74	57
Actuarial gain/(loss)	107	(39)
Employer contributions	262	239
Employee contributions	79	78
Benefits paid	4	(32)
At 31 August	<u>3,282</u>	<u>2,756</u>

26 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 102 not to disclose group transactions.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 8.

Teignmouth Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £25,000 and disbursed £28,000 from the fund. An amount of £54,000 is included in other creditors relating to undistributed funds that is repayable to ESFA.