

Registered number: 07525820

**REGISTRAR COPY**

**TOVE LEARNING TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**TOVE LEARNING TRUST**  
**(A company limited by guarantee)**

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

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<b>Members</b>	Mr C L Watt Mr M Lawrence Mr E Craven
<b>Trustees</b>	Mr C L Watt, Chair <sup>1</sup> Dr J Clarke, Chief Executive Officer & Accounting Officer Mrs J Chitty Mr G Rees Mr N Roberts (appointed 3 April 2017) Mr T Foster, Vice Chair Mrs S Wagstaff  <sup>1</sup> Members of the Finance and Premises Committee
<b>Company registered number</b>	07525820
<b>Company name</b>	Tove Learning Trust
<b>Principal and registered office</b>	Sponne School Brackley Road Towcester Northamptonshire NN12 6DJ
<b>Company secretary</b>	Mrs C Bird
<b>Senior management team</b>	Tove Learning Trust  Dr J Clarke, Chief Executive Officer TLT Mrs S Wagstaff, Chief Finance Officer TLT Ms S Thompson, Director of Teaching & Learning (Science) - 1/9/17 Ms H Gilligan, Director of Teaching & Learning (Maths) - 1/9/17 Mrs L Oake, Principal Accounting Officer  Sponne School  Mr I Massey, Head of School Mrs C Underwood, Deputy Head Ms L Bhakta, Assistant Head Mrs C Cutler, Assistant Head Mr C Hancock, Assistant Head Miss E Harris, Assistant Head Mr J Rawbone, Assistant Head Mrs H Mort, Progress Learning Leader Mrs K Notley, Learning Leader  Elizabeth Woodville School

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

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Elizabeth Woodville School

Mr J Bennett, Headteacher  
Mrs V Lea, Associate Principal (left 31 August 2017)  
Mr R King, Upper College, College Principal (left 31 August 2017)  
Mr R Freeman, Lower College, College Principal  
Ms M Davies, Lower College, College Principal  
Mr S Shah, Associate Principal (left 31 August 2017)  
Mrs C Radford, Assistant Head  
Mrs S Marshall, Business Manager  
Mr T Bill, Business Manager (left December 2016)

**Independent auditor**

MHA MacIntyre Hudson  
Chartered Accountants  
Statutory Auditors  
Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

**Bankers**

Correspondence  
Lloyds Bank Plc  
Box 1  
BX1 1LT

Branch  
Lloyds Bank Plc  
2 George Row  
Northampton  
NN1 1DJ

**Solicitors**

Brown Jacobson Solicitors LLP  
Victoria House  
Victoria Square  
Birmingham  
B2 4BU

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**TOVE LEARNING TRUST**  
(A company limited by guarantee)

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust currently operates two academies that has pupils aged 11 to 19 serving a catchment area in the south west of Northamptonshire.

**Structure, governance and management**

**CONSTITUTION**

Tove Learning Trust is a company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of Tove Learning Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Tove Learning Trust.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

**MEMBERS' LIABILITY**

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

**TRUSTEES' INDEMNITIES**

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year is covered by the Risk Protection Arrangement arranged by the ESFA. Details of the costs can be found in note 12 of the accounts.

**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF MEMBERS AND TRUSTEES**

**MEMBERS**

- The Members may agree by passing a special resolution to appoint such additional Members as they think fit;
- In addition to Article 13, the Members may agree by passing a special resolution to remove any Member(s). The Member whose proposed removal is the subject of the resolution shall not be entitled to vote on that resolution;
- In exercising their rights under these Articles and the Companies Act 2006, the Members shall not do anything or take any action which would cause the Academy Trust to contravene its Objects;

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**TOVE LEARNING TRUST**  
(A company limited by guarantee)

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

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- Every person nominated to be a Member of the Academy Trust shall sign a written consent to become a Member and sign the register of Members on becoming a Member.

**TRUSTEES**

The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum, although it is unlikely to exceed seven. Tove Learning Trust shall have the following Trustees:

- Up to 4 Trustees, appointed by ordinary resolution;
- A minimum of 2 Parent Trustees elected or appointed under Articles 53-56 but only if there are less than 2 Parent Governors on the Local Governing Body of each Academy;
- Subject to Article 57, the Parent Governor(s) shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected;
- The Academy Trust may also have any Co-opted Trustee appointed under Article 58;
- Future Trustees shall be appointed or elected, as the case may be, under these Articles;
- The total number of Trustees including the CEO if they so choose to act as Trustee, who are employees of the Academy Trust shall not exceed one third of the total number of Trustees;
- All trustees (Except the Headteacher) serve for a 4 year period although they can stand for re-election.

**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

New trustees are required to attend a trustees training session as soon as possible after their appointment. They are also invited to a meeting with the CEO and meeting key staff as well as briefing about the role of the trustees in the Trust and where to find key information. Any trustees volunteering to help with staff recruitment will be required to undertake the Safer Recruitment training before participating in the process. Trustees induction and training is managed by the Clerk to Trustees / Company Secretary.

**ORGANISATIONAL STRUCTURE**

Tove Learning Trust (TLT) has a board of trustees that has determined a scheme of delegation which identifies the level of autonomy for each layer of authority within the Trust. Otherwise, decision making of the board of trustees is as contained in the Funding Agreement including the Articles and Memorandum of the Association.

As this is the first year of operation, the board of trustees took on the role of all proposed sub-committees. However, as the Trust grows, the Trustees will divide into specialist committees that each focus on specific aspects associated with effective Governance such as employer responsibilities and financial accountability. In particular, the board of trustees makes strategic high level decisions following advice from a range of sources including the CEO of TLT. Other consultative groups will also evolve with the growth of the Trust to share good practise and focus on Curriculum and Teaching & Learning.

**ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

The Trust uses Bluesky software to ensure that there is parity across the Trust in the monitoring of performance of its employees through a formal appraisal process. As the Trust has chosen to stay with the national policies for pay, any pay set for both central teaching posts or support staff posts will be in line with national guidelines and reflect the seniority and responsibility of the roles across the Trust.

Headteachers of individual Academy Schools will have their targets and their pay level set by the Board of Trustees following a recommendation from the CEO of TLT and the chair of the local governing body.

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

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**EMPLOYEES AND DISABLED PERSONS**

The Trust actively implements an Equal Opportunities policy and the best person for an advertised post will be employed, regardless of any protected characteristics including having a disability.

Any persons who develop a disability throughout their employment with the Trust will be supported to continue with their role with appropriate modifications or reasonable adjustments. This may include, but not limited to, the physical provision of mobility aids or amendments to job roles or working conditions to facilitate the change in circumstances.

Over the past year, Elizabeth Woodville School (EWS) was welcomed into the Trust and was therefore subject to employee consultations as part of the due diligence and TUPE processes. The only other consultations held this year were the ones relating to the revision of existing policies where changes were consulted upon.

**RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS**

South West Area Network (SWAN) Schools - informal collaboration between secondary schools in the south western part of the county who are of similar size and composition. Relationship is one of support and sharing of best practice to improve learning and achievement. SWAN Schools is a collective term rather than an organisation. Both schools that are currently part of the Trust are also part of this network.

Cluster Partnerships - Informal links between the primary schools and the secondary school in the same catchment area whose students feed into our natural school population. Relationship exists to collaborate on joint ventures and to liaise on how we can best serve our student body in terms of literacy, numeracy, transition from primary to secondary school and similar.

Grand Union Training Partnership (GUTP) - a secondary school initial teacher training scheme (SCITT) based at Sponne (the Lead School) but is a formal partnership of local schools, all of whom have representation on the GUTP governing body. However it is not a legal entity in its own right and responsibility for the performance and viability of the scheme rests with the governing body of Sponne School.

In March 2014, Sponne School was awarded Teaching School status and the SWAN Teaching School Alliance (SWAN TSA) was developed and has now been successfully operating for over three years. The alliance has grown and accesses funding that is used for the benefit of all our local primary and secondary schools to deliver bespoke training and school to school support.

**Objectives and Activities**

**OBJECTS AND AIMS**

Tove Learning Trust exists to promote high quality educational experiences to young people of compulsory school age and in so doing, to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing of a school offering a broad and balanced curriculum. This includes succession planning and the development of outstanding teachers through training and development. It also aims to promote for the benefit of the inhabitants of Towcester and the wider area of South Northamptonshire the provision of facilities for recreation of other leisure time occupation of individuals who have need of such facilities by reason of their young age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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**TOVE LEARNING TRUST**

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

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**OBJECTIVES, STRATEGIES AND ACTIVITIES**

Tove Learning Trust's priorities for 2016/2017 were centred around getting the Trust in a position to take on other schools with a central system in place to provide resilience, support the anticipated expansion and to establish a mechanism for selective control of the growth of the MAT.

**PRIORITY ONE**

Consider the appointment of two further Trustees to enhance the expertise of the Trust and prepare for our planned expansion. A skills audit of the current Board of Trustees would highlight gaps in core skills and attributes leading to successful appointments that help to fill these gaps.

**PRIORITY TWO**

Appointment of a Principle Finance Officer in order to ensure resilience within the Trust and support the Chief Finance Officer (CFO) with setting up effective systems for the rigorous analysis of financial data from others; the setup of periodical financial reporting and preparation of consolidated accounts and returns.

**PRIORITY THREE**

Establish staged information and procedures for exchange of information with schools investigating joining the Trust. Standardise and streamline for ease of administration and split information into stages:

- 1) Initial approach – general info on TLT sent to enquiring school. To be followed up by visits to the interested school by CEO and Trustees as appropriate.
- 2) Formal expression of interest by the incoming school - having decided to pursue TLT as the preferred MAT, the second wave of more detailed information made available by TLT in order for the school to consult with relevant parties. Will include summary Due Diligence guidance for both parties to assess initial risk and standardise the approach therefore avoiding legal fees at this point in time.
- 3) Expression of Interest forms to be shared with TLT Board to establish in principal whether the enquiring school meets TLT criteria and the impact this will have on the Trust.
- 4) Agreement to proceed – having been considered by the Trust and agreement been given in principle the incoming school will need to formalise permission from their Local Governing Body to proceed. This will initiate the full due diligence (DD) procedure including detailed requests for information on any perceived liabilities and land issues.

**PRIORITY FOUR**

Research the local market and establish the core needs for improvements in teaching & learning in the schools that have expressed interest, and we would be interested in, so far. From this, devise a priority list of additional staff to ensure the Trust is well equipped to support other schools as required.

**PUBLIC BENEFIT**

The Board of Trustees have complied with their duty to have due regard to the guidance on public benefit as published by the Charity Commission in exercising their powers or duties. The activities undertaken to further the academy trust's purpose for the Public Benefit include:

- The pursuit of education in all aspects of the wider community;
- Admitting students in accordance with its Admission Policy;
- Letting its facilities to the local community;
- Participating in Primary liaison activities and supporting Adult Education;
- Developing the SWAN TSA to further our collaborative work with other schools.



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

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**Strategic Report**

**ACHIEVEMENTS AND PERFORMANCE**

**Exam Results**

There are new accountability measures for English (both language and literature) and maths along with new, more difficult, specifications. Although there has been much uncertainty, the DfE has now confirmed that a grade 4 is a 'pass' and a grade 5 a 'good pass'. In reality, a grade 4 is being matched to a grade C which is taken to be a pass in other subjects. The new grading system for English and Maths in 2017 is from 9 to 1 with 9 being the highest and a new higher grade beyond the A\* we are used to.

However, comparisons for English and Maths between 2016 and 2017 need to be made with caution. Given the new, more difficult specifications in these subjects and the new grading system, it is not realistic to draw conclusions from these comparisons. It is perfectly appropriate though to look at the data for each year and consider similarities and differences between these.

Sponne attainment in the new English and Maths courses is up on those achieved in 2016. English grade 4 (old grade C) improved from 84% to 88% in 2017 and maths from 82% to 85% and the all-important, English and maths grade 4+ from 75% to 80% in 2017. Given these new challenging courses, this is pleasing to see although the DfE has fixed the proportion of grade 4+ to the C+ in the same subject from 2016. Progress measures are extremely unreliable and should not be taken with any confidence. Progress was very high in 2017 with a Progress 8 score of 0.6 that is well above the national average.

It was clear that outcomes at EWS were unlikely to improve in 2017 and the results have confirmed this. English grade 4+ has declined from 85% in 2016 to 76% in 2017. This is the best of English Language and English Literature. Outcomes in maths have also declined slightly at grade 4+ from 65% in 2016 to 59% in 2017. This has ensured that the combined English and Maths grade 4+ has also reduced from 63% to 51% in 2017. This is very disappointing although much is close to the targets set. There is clearly much work to be done during this year to improve these outcomes. However, a reminder that conclusions should not be drawn from these year-on-year comparisons given they are not like-for-like comparisons.

There were some significant successes in other subjects at both schools. At EWS, grade C+ in French was 92%, German at 94%, Drama at 100% and Catering at 100%. At Sponne, 100% grade C+ was achieved in each of Biology, Physics and Chemistry with Drama, Music and Art having very high outcomes in the mid-80s.

**Student Numbers**

Sponne School has continued to be oversubscribed for entry into Year 7 and took 232 students in September 2017. The interest in the school is particularly pleasing since there were only around 160 students in Year 6 in the local primary schools last year. Current capacity is estimated at 1300 and there were 1354 on role as per June 2017 census.

EWS attracts students from almost 30 primary schools stretching from Northampton to Milton Keynes. However, the majority of the students come from two clusters of rural primary schools, the Salcey Cluster and the Foresters Cluster. EWS is a split site school with published admission numbers of 120 (South site) and 120 (North site) students in Year 7. Numbers joining the school in Year 7 in September 2017 were close to 240 overall.

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

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**KEY PERFORMANCE INDICATORS**

The accompanying Financial Statements demonstrate that Tove Learning Trust has appropriately managed its financial and human resources in the year ended 31 August 2017 and is able to carry-forward the following reserves to the new year:

Unrestricted general funds	289,600
Restricted general funds	1,382,644
Restricted fixed asset funds	20,900,622

Total income (note 3) - Funds for educational operations excluding capital:

	2017		2016	
	Amount	% of Income	Amount	% of Income
Teaching & Educational support costs (as per note 6)	7,945,964	71	4,682,297	74
Allocated support costs (as per note 6)	1,719,107	15	717,419	11

**GOING CONCERN**

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

**Financial review**

Tove Learning Trust has received the majority of its income from the Education & Skills Funding Agency. The Trust also bid for and was successful in securing some Sponsor Capacity Funding (SCF) through the Department for Education to assist in the legal costs and scoping activities required when establishing and expanding a multi-academy trust (MAT).

The Trust has 2 Salix loans, one in each of its 2 schools which are the result of successful bids to the Condition Improvement Fund (CIF) for energy saving projects such as window replacement and new boilers. These are interest free and disclosed in the accompanying accounts.

The Trust does not have any loans other than the Pension Liability, which is disclosed and details are also in the accompanying accounts.

The Local Government Pension Scheme (LGPS) disclosure shows that the Trust's share of the scheme is in deficit at 31 August 2017, to the amount of:

Sponne School	£1,331,000
Elizabeth Woodville School	£1,784,000

Employer contribution rates were set in March 2017, following an actuarial review as being 21.5% (Sponne) and 23.5% EWS and fixed for the next 3 years. Further details are included in note 19 to the accounts.

Balance of income over expenditure (excluding transfers on acquisition of academies and restricted fixed asset funds) resulted in a deficit of £349,415.

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

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**RESERVES POLICY**

At 31 August 2017 the total funds comprised:

Unrestricted		289,600
Restricted:	Fixed asset funds	20,900,622
	Pension reserve	(3,115,000)
	Other	<u>1,382,644</u>
		<u>19,457,866</u>
Restricted - Other		1,382,644
Represented by:		
TLT		173,952
Sponne		967,148
EWS		241,544
Unrestricted		289,600
Represented by:		
TLT		298
Sponne		250,995
EWS		38,307

The anticipated use of the central reserves will be to build resilience within the trust.

Sponne will be spending approx. £1 million, which it has deliberately saved, on the new sports hall, due for completion in August 18.

EWS reserves will be used to balance the budget for the next financial year.

**INVESTMENT POLICY**

As the Trust is in its first year of operation, no central reserves have yet been accumulated that are worth investment consideration.

Individual school balances are scrutinised to ensure that the school can operate successfully for the next 2 years. Using this strategy there are no spare funds that will not be used within the next 12 months that require any long term investment. Financial advice is received from the bank on the Trust's balances and any decision to deviate from current practice will be considered and discussed at the relevant Trustees meeting as appropriate.

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

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The Trustees consider that the principal risks facing Tove Learning Trust in the near future are:

**Operational Risk**

- Shortage of skilled teachers across the Trust, particularly in Maths and English.
- Leadership and Management of the Trust needs some resilience.
- Pressure to perform well creating an increase in mental health issues for staff and students.

**Mitigated by:**

- Careful marketing of opportunities throughout the Trust for existing and new appointments for skilled staff to ensure high calibre staff are attracted and retained for the Trust.
- Development of the central Teaching and Learning team to ensure the Trust can identify and deliver solutions for raising achievement across the Trust.
- Careful monitoring of workload and greater signposting of external agencies that can provide emotional and wellbeing support for staff and students and continuing to work with the health agencies to improve the outcomes for our students.

**Performance Risk**

- Curriculum Change – substantial changes in exam specifications and course content at A level and GCSE.
- Development of the Teaching School.

**Mitigated by:**

- Keeping up to date with the recent changes in exam structure and courses of study. Ensuring our offer is tailored to our students but still able to attract others from outside the catchment area.
- Creating a sustainable and successful structure for the development of the Teaching School that does not put a strain on the lead school's resources.

**Reputational Risk**

- Parental knowledge – lack of understanding on new benchmarks for achievement in schools.
- Expansion of the Trust and the impact on individual schools.

**Mitigated by:**

- Manage parental expectations re the new grading of GCSE's from ABC grades to the new levels of 1 to 9. Explain the differences, the transition and the direct correlation to their child's progress & attainment.
- Creating a sustainable and successful structure for the Trust that does not put a strain on the staffing or development of any individual school within the Trust.

**Financial Risk**

- Falling student numbers in the catchment area for individual schools.
- Potential changes to funding mechanism from local allocations to a national formula.
- Ensuring all new schools admitted into the Trust comply with the ESFA's Academies Handbook and the articles of the Trust.

**Mitigated by:**

- Continuing to market the school's and Trust's successes to both the local and wider community and ensure standards remain high and levels of achievement are outstanding.
- Keeping up to date with funding news for schools so as to predict any potential shortfalls and plan for their management.
- Ensure the central Trust finance team monitor and intervene as appropriate to ensure full compliance.

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

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**Plans for future periods**

The next 12 months will be an exciting time for Tove Learning Trust. In this time the Trust will aim to take on a further 2 secondary schools and up to 3 primary schools. The activities of the past year have enabled us to set up the central financial team to be able to accommodate this at a compliance level and expand the core Teaching & Learning team to focus on raising standards in the Trust schools.

**Priorities for the Trust in 2017-18 are:**

**Improving outcomes for pupils**

- Ensure quality of teaching is consistently good, supported by frequent data collection to monitor progress;
- Y11 (& Y6) outcomes are above national average for both attainment and progress at school, monitored by annual exam outcomes.

**Succession Planning**

- Talented teachers and leaders identification and continuing professional development;
- Succession planning by CEO to ensure future talent identified;
- Career development across the MAT.

**Expansion of the MAT**

- Growth of primary & secondary phases to secure strong capacity for future growth & support of more challenging schools;
- CEO to work with Headteachers and Chair of Governors to ensure growth is manageable & effective with appropriate infrastructure.

**Securing effective governance & accountability**

- Establish a high challenge & accountability culture, supported by executive groups providing bottom up & top down accountability;
- Training for governors & trustees;
- Regular skills audits & self-evaluation to feed into improvement planning and recruitment strategies.

**Financial and risk strategy**

- Financial plan will be supportive of growth;
- Financial accountability to be intrinsically linked to improvement planning;
- Current year risks identified, risk register established, monitored and reviewed by trustees.

**FUNDS HELD AS CUSTODIAN**

Cashless Catering Account – Money held on behalf of parents who pay via Tucasi School's Cash Office (TSCO) to top up their child's dinner money account. These funds are held in a separate bank account to other school funds.

School Fund – Private funds held in a separate bank account for the payment of trip related invoices or fund raising accounts. Audited and reconciled independently of the main school account.

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

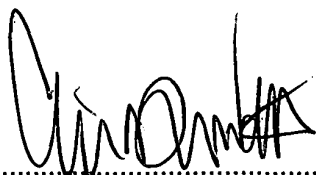
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**DISCLOSURE OF INFORMATION TO AUDITOR**

Insofar as the Trustees are aware:

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

The Trustees' report was approved by order of the board of trustees, as the company directors, on 14/12/17 and signed on its behalf by:



.....  
Mr C L Watt  
Chair of Trustees

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**TOVE LEARNING TRUST**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that Tove 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 board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer (CEO), 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 Tove Learning Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The Trust started the year with 5 Trustees with a view to increasing to 7 in due course, as at the year end the number of Trustees was 6.

The Trustees did a skills audit to highlight the composition of experience across the board which resulted in the following being identified:

**Area: Strategic Leadership**

Trustees have above average experience in this area with the exception of the following:

Experience of Charity Law & Governance (Essential) - Training required for: 1 trustee.

Experience of agreeing expansion plans & conducting due diligence - Training required for: 2 trustees.

**Area: Accountability**

Trustees have above average experience in this area with the exception of the following:

Experience of property & estate management (Desirable) - Training required for: 1 trustee.

Experience of marketing, media & PR (Desirable) - Training required for: 2 trustees.

**Area: People**

Trustees have extensive experience in this area with no exceptions

**Area: Structures**

Trustees have above average experience in this area with no exceptions

**Area: Compliance**

Trustees have extensive experience in this area with no exceptions

**Area: Evaluation**

Trustees have extensive experience in this area with no exceptions

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 7 times during the year.

It was also recognised that a trustee that could bring Primary School expertise would be highly desirable and therefore Neil Roberts was recruited as an additional Trustee.

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**GOVERNANCE STATEMENT (continued)**

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Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Watt, Chair of TLT	7	7
Dr J Clarke, CEO TLT, Exec HT Sponne & AO	7	7
Mrs J Chitty	7	7
Mr T Foster	7	7
Mr G Rees, Vice Chair	6	7
Mr N Roberts (started in April 2017)	1	2

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Chief Executive Officer (CEO) has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Reviewing staffing and curriculum offer

- Ensuring staff are suitably qualified and skilled to carry out the roles for which they are paid;
- Delivering a curriculum that is fit for purpose and fits the student profile for our schools;
- Removing subjects from the curriculum that are unviable to run;
- Using the Trust to teach students across different schools to ensure their needs are met but at minimal cost to the schools by using shared resources.

Rigorous market testing for Supplies and Services

- Obtaining competitive quotations for all goods and services over £1,000;
- Going to competitive tender for larger contracts i.e. cleaning and ensuring the contracts obtained are value for money;
- All contracts and services are regularly reviewed to ensure we receive best value in terms of service provision and price.

Development of the Teaching School

- Use of the teaching school for delivering bespoke, local courses for essential training keeping travel costs and time out of school to a minimum;
- Developing a network structure for all subject areas to share workload and resources;
- Providing a culture of support between schools and colleagues to drive school improvement.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Tove Learning Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.



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**TOVE LEARNING TRUST**

(A company limited by guarantee)

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**GOVERNANCE STATEMENT (continued)**

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**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- setting of key financial policies that outline the delegation and appropriate segregation of duties and spending authorities for all schools;
- 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;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has continued to appoint Essendon Accounts and Tax Ltd as internal auditor and to carry out the role of Responsible Officer in all Trust schools.

Their role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

Each inspection is supplemented by a report to the trustees on the operation of the systems of control to support the discharge of the board of trustees' financial responsibilities. In addition, 6 months after EWS joined the Trust, Essendon's conducted a full review of their systems and provided the trustees with a summary report identifying key areas for improvement. All RO reports are also presented at the Local Governing Body meetings of individual schools.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Chief Executive Officer (CEO) 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 Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Chief Finance Officer (CFO) and finance team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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**TOVE LEARNING TRUST**  
**(A company limited by guarantee)**

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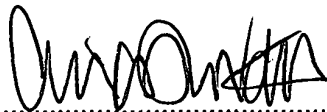
**GOVERNANCE STATEMENT (continued)**

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

In summary, no significant weakness was reported on in terms of regularity however the review did conclude that EWS is under resourced for finance staff. Further staff need to be recruited or developed from within to ensure adequate division of duties as required by the Trust and implementation of an increased measure of control.

Approved by order of the members of the board of trustees on 14/12/17 and signed on their behalf, by:



Mr C L Watt  
Chair of Trustees



Dr J Clarke  
Accounting Officer

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**TOVE LEARNING TRUST**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Tove Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



.....  
Dr J Clarke  
**Accounting Officer**

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**TOVE LEARNING TRUST**  
(A company limited by guarantee)

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

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

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

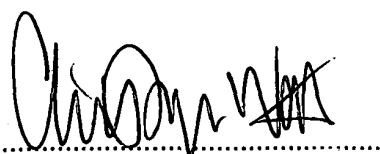
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees and signed on its behalf by:



Mr C L Watt  
Chair of Trustees

Date: 14/12/17

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**TOVE LEARNING TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TOVE LEARNING TRUST**

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**OPINION**

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

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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**TOVE LEARNING TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TOVE LEARNING TRUST**

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**OTHER INFORMATION**

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' responsibilities statement, set out on page 19, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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**TOVE LEARNING TRUST**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TOVE LEARNING TRUST**

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

**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](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.



Elaine Olson-Williams FCCA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

Date:

15 Dec 2017

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

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In accordance with the terms of our engagement letter dated 20 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tove Learning Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Tove Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Tove 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 Tove Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TOVE LEARNING TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Tove Learning Trust's funding agreement with the Secretary of State for Education dated 24 February 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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



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**TOVE LEARNING TRUST**  
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TOVE LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

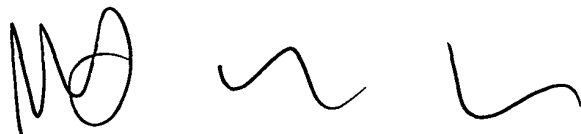
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The work undertaken to draw our conclusion includes:

- review of the minutes of the meetings of the board of trustees and other evidence made available to us, relevant to our consideration;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedure and reporting lines, and testing as appropriate;
- making appropriate enquiries of the accounting officer.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

Date:

15 June 2017

**TOVE LEARNING TRUST**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Transfer from academy trust on acquisition	2	-	(2,242,399)	9,730,046	7,487,647	-
Other donations and capital grants	2	10,806	500,200	568,892	1,079,898	432,503
Charitable activities:	3					
Funding for the academy trust's educational operations		-	11,205,840	-	11,205,840	6,208,033
Other trading activities	4	269,426	-	-	269,426	28,576
Investments	5	6,322	-	-	6,322	14,884
Teaching school		-	302,267	-	302,267	239,492
<b>TOTAL INCOME</b>		<b>286,554</b>	<b>9,765,908</b>	<b>10,298,938</b>	<b>20,351,400</b>	<b>6,923,488</b>
<b>EXPENDITURE ON:</b>						
Raising funds		256,158	470,437	-	726,595	388,346
Charitable activities:						
Academy trust educational operations		-	11,623,781	544,149	12,167,930	6,753,827
Teaching school		-	293,900	-	293,900	210,964
<b>TOTAL EXPENDITURE</b>	6	<b>256,158</b>	<b>12,388,118</b>	<b>544,149</b>	<b>13,188,425</b>	<b>7,353,137</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>30,396</b>	<b>(2,622,210)</b>	<b>9,754,789</b>	<b>7,162,975</b>	<b>(429,649)</b>
Transfers between funds	17	29,585	(58,653)	29,068	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>59,981</b>	<b>(2,680,863)</b>	<b>9,783,857</b>	<b>7,162,975</b>	<b>(429,649)</b>
Actuarial gains/(losses) on defined benefit pension schemes	19	-	2,544,000	-	2,544,000	(1,051,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>59,981</b>	<b>(136,863)</b>	<b>9,783,857</b>	<b>9,706,975</b>	<b>(1,480,649)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		229,619	(1,595,493)	11,116,765	9,750,891	11,231,540
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>289,600</b>	<b>(1,732,356)</b>	<b>20,900,622</b>	<b>19,457,866</b>	<b>9,750,891</b>

**TOVE LEARNING TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07525820**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		<b>20,355,943</b>		11,091,765
<b>CURRENT ASSETS</b>					
Debtors	14	<b>856,824</b>		207,993	
Cash at bank and in hand		<b>2,448,453</b>		1,646,434	
		<b>3,305,277</b>		1,854,427	
<b>CREDITORS: amounts falling due within one year</b>	15	<b>(1,075,854)</b>		(623,801)	
<b>NET CURRENT ASSETS</b>			<b>2,229,423</b>		1,230,626
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>22,585,366</b>		12,322,391
<b>CREDITORS: amounts falling due after more than one year</b>	16		<b>(12,500)</b>		(12,500)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<b>22,572,866</b>		12,309,891
Defined benefit pension scheme liability	19		<b>(3,115,000)</b>		(2,559,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>19,457,866</b>		9,750,891
<b>FUNDS OF THE ACADEMY</b>					
Fixed asset fund:					
Restricted income funds	17	<b>1,382,644</b>		963,507	
Restricted fixed asset funds	17	<b>20,900,622</b>		11,116,765	
Restricted income funds excluding pension liability		<b>22,283,266</b>		12,080,272	
Pension reserve		<b>(3,115,000)</b>		(2,559,000)	
Total fixed asset fund			<b>19,168,266</b>		9,521,272
Unrestricted income funds	17		<b>289,600</b>		229,619
<b>TOTAL FUNDS</b>			<b>19,457,866</b>		9,750,891

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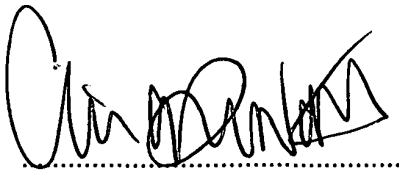
**TOVE LEARNING TRUST**  
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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2017**

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The financial statements on pages 24 to 53 were approved by the Trustees, and authorised for issue, on 14/12/17 and are signed on their behalf, by:

A handwritten signature in black ink, appearing to read 'C L Watt', written over a dotted line.

**Mr C L Watt**  
**Chair of Trustees**

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**TOVE LEARNING TRUST**  
**(A company limited by guarantee)**

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

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	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	<u>305,090</u>	<u>159,614</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		6,322	14,884
Purchase of tangible fixed assets		(78,285)	(123,385)
Capital grants from DfE/ESFA		<u>568,892</u>	<u>26,327</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>496,929</u>	<u>(82,174)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>802,019</b>	<b>77,440</b>
Cash and cash equivalents brought forward		<u>1,646,434</u>	<u>1,568,994</u>
<b>Cash and cash equivalents carried forward</b>	22	<u><u>2,448,453</u></u>	<u><u>1,646,434</u></u>

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**TOVE LEARNING TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

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

Tove Learning Trust meets the definition of a public benefit entity as defined by FRS 102.

**1.2 Going concern**

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

- **Grants**

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

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

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

- **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 should be 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.

- **Donations**

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

- **Other income**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.4 Expenditure**

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

- **Expenditure on Raising Funds**  
This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable Activities**  
These are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

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

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

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



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**1. ACCOUNTING POLICIES (continued)**

Freehold property	-	2% straight line
Motor vehicles	-	10% straight line
Furniture	-	20/25% straight line
Equipment	-	20% straight line
IT	-	33.3%/20% straight line

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.

**1.6 Liabilities**

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

**1.7 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.

**1.8 Leased assets**

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

**1.9 Taxation**

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.11 Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.12 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. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 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 instruments.

**1.13 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The 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 25.

**1.14 Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. ACCOUNTING POLICIES (continued)**

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

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

**1.15 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Education and Skills Funding Agency.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.16 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The Academy Trust 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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Fixed assets on acquisition of academy trust	-	-	9,730,046	9,730,046	-
Other assets on acquisition of academy trust	-	468,601	-	468,601	-
Pension deficit on acquisition of academy trust	-	(2,711,000)	-	(2,711,000)	-
	-	(2,242,399)	9,730,046	7,487,647	-
Capital grants	-	-	568,892	568,892	26,327
Recharges	-	104,324	-	104,324	74,990
Donations	10,806	-	-	10,806	10,809
Parental contributions	-	148,438	-	148,438	65,260
School fund income	-	247,438	-	247,438	255,117
	10,806	500,200	568,892	1,079,898	432,503
	10,806	(1,742,199)	10,298,938	8,567,545	432,503
<i>Total 2016</i>	10,809	395,367	26,327	432,503	

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**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	10,548,743	10,548,743	5,793,113
Other DfE/ESFA grants	-	194,629	194,629	50,179
Pupil premium	-	218,786	218,786	105,505
	-	10,962,158	10,962,158	5,948,797
<b>Other government grants</b>				
Local authority grants	-	104,983	104,983	130,297
	-	104,983	104,983	130,297
<b>Other funding</b>				
GUTP income and teacher recharges	-	124,819	124,819	128,939
Other income	-	13,880	13,880	-
	-	138,699	138,699	128,939
	-	11,205,840	11,205,840	6,208,033
<i>Total 2016</i>	-	6,208,033	6,208,033	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
Catering reimbursements	120,902	-	120,902	5,004
Hire of facilities	148,524	-	148,524	23,572
	269,426	-	269,426	28,576
<i>Total 2016</i>	28,576	-	28,576	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest receivable	6,322	-	6,322	14,884
<i>Total 2016</i>	14,884	-	14,884	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	72,406	-	404,965	477,371	385,345
Expenditure on fundraising trading	159,226	-	89,998	249,224	3,001
Academy's educational operations:					
Direct costs	7,945,964	-	627,629	8,573,593	5,008,158
Allocated support costs	1,719,107	1,009,356	865,874	3,594,337	1,745,669
Teaching school	134,395	-	159,505	293,900	210,964
	10,031,098	1,009,356	2,147,971	13,188,425	7,353,137
<i>Total 2016</i>	5,447,159	635,469	1,270,509	7,353,137	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. CHARITABLE ACTIVITIES**

	Direct costs 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational operations	8,573,593	3,594,337	12,167,930	6,753,827
<i>Total 2016</i>	4,997,457	1,756,370	6,753,827	

**Analysis of support costs**

	2017 £	2016 £
Support staff costs	1,730,085	717,419
Depreciation	544,150	350,184
Technology costs	153,797	88,453
Premises costs	465,206	242,698
Other support costs	696,920	340,660
Governance costs	4,179	16,956
<b>Total support costs</b>	<b>3,594,337</b>	<b>1,756,370</b>

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	544,153	350,186
Fees payable to auditor for - audit	14,050	8,000
Fees payable to auditor for - other services	3,700	8,905
Operating lease rentals	6,616	5,172



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	7,494,062	4,256,395
Social security costs	694,763	360,780
Operating costs of defined benefit pension schemes	1,564,948	774,446
	<u>9,753,773</u>	<u>5,391,621</u>
Apprenticeship levy	9,795	-
Supply teacher costs	241,387	55,538
Staff restructuring costs	26,143	-
	<u>10,031,098</u>	<u>5,447,159</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Severance payments	24,168	-
Other restructuring costs	1,975	-
	<u>26,143</u>	<u>-</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £26,143 (2016 - £nil). Individually, the payments were: £11,837, £12,331, £500, £500 and £975.

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

	2017 No.	2016 No.
Teachers	153	82
Administration and support	162	87
Management	15	8
	<u>330</u>	<u>177</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	1	1

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. STAFF COSTS (continued)**

Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff amounted to £26,391 (2016 - £13,625).

One of the above employees participated in the Local Government Pension Scheme. During the year ended 31 August 2017, pension contributions for this staff member amounted to £13,953 (2016 - £Nil).

The key management personnel of the academy trust comprise the trustees and 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 £1,084,030 (2016 - £591,452).

**10. CENTRAL SERVICES**

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

- legal services
- educational support services
- payroll services

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

2.5% of GAG income

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Sponne School	153,565	-
The Elizabeth Woodville School	111,029	-
Total	<u>264,594</u>	<u>-</u>

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

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**11. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
Dr J Clarke, Executive Headteacher & Accounting Officer	Remuneration	<b>40,000-45,000</b>	20,000-25,000
	Pension contributions paid	<b>5,000-10,000</b>	0-5,000
Mrs S Wagstaff, staff trustee and principal officer	Remuneration	<b>60,000-65,000</b>	50,000-55,000
	Pension contributions paid	<b>10,000-15,000</b>	10,000-15,000
Mr S Marshall, staff trustee	Remuneration	<b>Nil</b>	40,000-45,000
	Pension contributions paid	<b>Nil</b>	5,000-10,000

During the year ended 31 August 2017, expenses totalling £772 (2016 - £NIL) were reimbursed to 4 trustees (2016 - NIL ).

Other transactions with trustees have been disclosed in note 24.

**12. TRUSTEES' AND OFFICERS' INSURANCE**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. TANGIBLE FIXED ASSETS**

	Freehold land & buildings £	Leasehold land & buildings £	Motor vehicles £	Furniture & Equipment £	IT £	Total £
<b>Cost or valuation</b>						
At 1 September 2016	12,410,983	-	30,515	155,722	322,935	12,920,155
Additions	-	-	-	13,268	65,017	78,285
Disposals	-	-	-	-	(2,257)	(2,257)
Transferred on acquisition of Academy trust	-	9,716,217	-	13,828	-	9,730,045
At 31 August 2017	12,410,983	9,716,217	30,515	182,818	385,695	22,726,228
<b>Depreciation</b>						
At 1 September 2016	1,560,072	-	15,360	55,574	197,384	1,828,390
Charge for the year	295,398	167,267	2,810	30,808	47,870	544,153
On disposals	-	-	-	-	(2,258)	(2,258)
At 31 August 2017	1,855,470	167,267	18,170	86,382	242,996	2,370,285
<b>Net book value</b>						
At 31 August 2017	10,555,513	9,548,950	12,345	96,436	142,699	20,355,943
At 31 August 2016	10,850,911	-	15,155	100,148	125,551	11,091,765

**14. DEBTORS**

	2017 £	2016 £
Trade debtors	63,981	17,398
VAT repayable	21,958	23,728
Prepayments and accrued income	770,885	166,867
	<u>856,824</u>	<u>207,993</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	107,471	46,173
Other taxation and social security	193,757	106,778
Salix loan	29,167	37,500
Other creditors	54,960	7,838
Accruals and deferred income	690,499	425,512
	<u>1,075,854</u>	<u>623,801</u>

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	273,059	128,110
Resources deferred during the year	323,202	273,059
Amounts released from previous years	(273,059)	(128,110)
Deferred income at 31 August 2017	<u>323,202</u>	<u>273,059</u>

At the balance sheet date the academy trust was holding funds received in advance relating to grants and funding for 2017/18.

**16. CREDITORS: Amounts falling due after more than one year**

	2017 £	2016 £
Salix loan	<u>12,500</u>	<u>12,500</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
Unrestricted funds	229,619	286,554	(256,158)	29,585	-	289,600
<b>Restricted funds</b>						
General Annual Grant (GAG)	716,886	10,548,743	(10,525,130)	103,491	-	843,990
Other DfE/ESFA grants	-	194,629	(173,586)	-	-	21,043
Miscellaneous restricted	31,314	118,204	(121,306)	-	-	28,212
GUTP/Teacher recharges	-	124,819	(124,819)	-	-	-
LA income	(3,797)	104,983	(119,118)	21,655	-	3,723
Transfer from Local Authority	196,420	-	-	-	-	196,420
Pupil premium	551	218,785	(264,078)	51,896	-	7,154
Teaching school - generated income	(7,166)	84,214	(69,113)	-	-	7,935
Teaching school grants	27,144	218,053	(224,787)	-	-	20,410
GUTP external	(2,684)	-	2,684	-	-	-
School funds	4,839	220,407	(204,877)	-	-	20,369
Parental contributions	-	175,470	(174,988)	-	-	482
Transfer from LST	-	468,601	-	(235,695)	-	232,906
Pension reserve	(2,559,000)	(2,711,000)	(389,000)	-	2,544,000	(3,115,000)
	<u>(1,595,493)</u>	<u>9,765,908</u>	<u>(12,388,118)</u>	<u>(58,653)</u>	<u>2,544,000</u>	<u>(1,732,356)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	409,594	568,892	(12,708)	-	-	965,778
Capital expenditure from GAG	465,850	-	(14,989)	29,068	-	479,929
Transfer from LA	10,241,321	-	(329,530)	-	-	9,911,791
Transfer from LST	-	9,730,046	(186,922)	-	-	9,543,124
	<u>11,116,765</u>	<u>10,298,938</u>	<u>(544,149)</u>	<u>29,068</u>	<u>-</u>	<u>20,900,622</u>
Total restricted funds	<u>9,521,272</u>	<u>20,064,846</u>	<u>(12,932,267)</u>	<u>(29,585)</u>	<u>2,544,000</u>	<u>19,168,266</u>
Total of funds	<u>9,750,891</u>	<u>20,351,400</u>	<u>(13,188,425)</u>	<u>-</u>	<u>2,544,000</u>	<u>19,457,866</u>

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**17. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
Unrestricted funds	178,350	54,269	(3,000)	-	-	229,619
	<u>178,350</u>	<u>54,269</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>	<u>229,619</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	898,125	5,793,113	(5,796,890)	(177,462)	-	716,886
Other DfE/ESFA grants	(3)	50,179	(100,176)	50,000	-	-
Miscellaneous restricted	26,133	74,989	(69,808)	-	-	31,314
GUTP/Teacher recharges	(347)	128,939	(128,592)	-	-	-
LA income	-	130,297	(134,094)	-	-	(3,797)
Transfer from Local Authority	196,420	-	-	-	-	196,420
Pupil premium	1,373	105,505	(106,327)	-	-	551
Teaching school - generated income	(9,461)	93,372	(91,077)	-	-	(7,166)
Teaching school grants	910	146,120	(119,886)	-	-	27,144
GUTP external	(2,684)	-	-	-	-	(2,684)
School funds	-	255,119	(250,280)	-	-	4,839
Parental contributions	-	65,259	(65,259)	-	-	-
Pension reserve	(1,416,000)	-	(92,000)	-	(1,051,000)	(2,559,000)
	<u>(305,534)</u>	<u>6,842,892</u>	<u>(6,954,389)</u>	<u>(127,462)</u>	<u>(1,051,000)</u>	<u>(1,595,493)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	449,838	26,327	(71,976)	5,405	-	409,594
Capital expenditure from GAG	378,811	-	(35,018)	122,057	-	465,850
Transfer from LA	10,530,075	-	(288,754)	-	-	10,241,321
	<u>11,358,724</u>	<u>26,327</u>	<u>(395,748)</u>	<u>127,462</u>	<u>-</u>	<u>11,116,765</u>
Total restricted funds	<u>11,053,190</u>	<u>6,869,219</u>	<u>(7,350,137)</u>	<u>-</u>	<u>(1,051,000)</u>	<u>9,521,272</u>
Total of funds	<u>11,231,540</u>	<u>6,923,488</u>	<u>(7,353,137)</u>	<u>-</u>	<u>(1,051,000)</u>	<u>9,750,891</u>

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**17. STATEMENT OF FUNDS (continued)**

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

Restricted general funds will be used for educational purposes in line with the academy trust's objects and its funding agreement with the ESFA.

Restricted fixed assets funds amounting to £20,355,943 will be reserved against future depreciation charges. The remaining funds relates to unspent capital grants, which will be used to enhance the academy trust's facilities.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Sponne School	1,218,140	1,193,126
The Elizabeth Woodville School	279,852	-
Tove Learning Trust	174,252	-
Total before fixed asset fund and pension reserve	1,672,244	1,193,126
Restricted fixed asset fund	20,900,622	11,116,765
Pension reserve	(3,115,000)	(2,559,000)
Total	19,457,866	9,750,891

**ANALYSIS OF ACADEMIES BY COST**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
Sponne School	4,407,232	1,322,437	190,385	1,271,442	7,191,496	7,002,953
The Elizabeth Woodville School	2,925,131	1,384,165	67,819	941,801	5,318,916	-
Tove Learning Trust	53,153	46,663	-	34,048	133,864	-
	7,385,516	2,753,265	258,204	2,247,291	12,644,276	7,002,953



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**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	(3)	-	20,355,946	20,355,943
Current assets	289,604	2,470,997	544,676	3,305,277
Creditors due within one year	-	(1,075,854)	-	(1,075,854)
Creditors due in more than one year	-	(12,500)	-	(12,500)
Pension scheme liability	-	(3,115,000)	-	(3,115,000)
Difference	(1)	1	-	-
	<u>289,600</u>	<u>(1,732,356)</u>	<u>20,900,622</u>	<u>19,457,866</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	11,091,765	11,091,765
Current assets	229,619	1,599,809	25,000	1,854,428
Creditors due within one year	-	(623,802)	-	(623,802)
Creditors due in more than one year	-	(12,500)	-	(12,500)
Pension scheme liability	-	(2,559,000)	-	(2,559,000)
	<u>229,619</u>	<u>(1,595,493)</u>	<u>11,116,765</u>	<u>9,750,891</u>

**19. PENSION COMMITMENTS**

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

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

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in

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**19. PENSION COMMITMENTS (continued)**

England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension budgeting and valuation account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employer's pension costs paid to TPS in the period amounted to £882,580 (2016 - £511,501).

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

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**19. PENSION COMMITMENTS (continued)**

**Scheme changes**

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

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

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

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

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £546,000 (2016 - £280,000), of which employer's contributions totalled £434,000 (2016 - £223,000) and employees' contributions totalled £112,000 (2016 - £57,000). The agreed contribution rates for future years are 22.6% for employers and 5.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Expected return on scheme assets at 31 August	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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**19. PENSION COMMITMENTS (continued)**

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

	2017	2016
Retiring today		
Males	22.1	22.3
Females	24.2	24.3
Retiring in 20 years		
Males	23.9	24.0
Females	26.1	26.6

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis</b>		
Discount rate -0.5%	662,000	805,000
CPI rate -0.5%	131,000	329,000

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	4,959,000	2,239,000
Corporate bonds	1,072,000	599,000
Property	469,000	252,000
Cash and other liquid assets	201,000	63,000
<b>Total market value of assets</b>	<b>6,701,000</b>	<b>3,153,000</b>

The actual return on scheme assets was £967,000 (2016 - £508,000).

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

	2017 £	2016 £
Interest income	116,000	96,000
Interest cost	(229,000)	(150,000)
Current service cost	(710,000)	(261,000)
<b>Total</b>	<b>(823,000)</b>	<b>(315,000)</b>

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**19. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening defined benefit obligation	5,712,000	3,810,000
Transferred in on existing academies joining the trust	4,831,000	-
Interest cost	229,000	150,000
Employee contributions	112,000	57,000
Actuarial (gains)/losses	(1,693,000)	1,463,000
Benefits paid	(85,000)	(29,000)
Current service cost	710,000	261,000
	<u>9,816,000</u>	<u>5,712,000</u>
Closing defined benefit obligation	<u>9,816,000</u>	<u>5,712,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	3,153,000	2,394,000
Transferred in on existing academies joining the trust	2,120,000	-
Interest income	116,000	96,000
Actuarial losses	851,000	412,000
Employer contributions	434,000	223,000
Employee contributions	112,000	57,000
Benefits paid	(85,000)	(29,000)
	<u>6,701,000</u>	<u>3,153,000</u>
Closing fair value of scheme assets	<u>6,701,000</u>	<u>3,153,000</u>

**20. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	7,731	5,172
Between 1 and 5 years	8,865	7,758
After more than 5 years	1,104	-
	<u>17,700</u>	<u>12,930</u>
Total	<u>17,700</u>	<u>12,930</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	7,162,975	(429,649)
<b>Adjustment for:</b>		
Depreciation charges	544,153	350,186
Dividends, interest and rents from investments	(6,322)	(14,884)
(Increase)/decrease in debtors	(648,827)	108,106
Increase in creditors	452,049	80,182
Capital grants from DfE and other capital income	(568,892)	(26,327)
Defined benefit pension scheme cost less contributions payable	276,000	38,000
Defined benefit pension scheme finance cost	113,000	54,000
Net gain on assets and liabilities from LST on acquisition	(7,019,046)	-
<b>Net cash provided by operating activities</b>	<b>305,090</b>	<b>159,614</b>

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	2,448,453	1,646,434
<b>Total</b>	<b>2,448,453</b>	<b>1,646,434</b>

**23. 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.

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**24. RELATED PARTY TRANSACTIONS**

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

During the year ended 31 August 2017 purchases from Northamptonshire Music and Performing Arts Trust totalled £90,904 (2016 - £76,684). Dr J Clarke is the Principal and a trustee at the academy trust and a trustee of Northamptonshire Music and Performing Arts Trust.

During the year ended 31 August 2017 sales to Wootton Primary School totalled £618 (2016 - £Nil). Mr N Roberts is a trustee at the academy trust and a member director of Wootton Primary School.

Furthermore, £Nil of sales were made to Swan Educational Partnership Limited during the year ended 31 August 2017 (2016 - £60,000), a company of which Dr J Clarke is also a trustee. At the year end there was no balance remaining (2016 - £Nil).

During the prior period the Swan Education Partnership Limited wound up its operations. On the winding down of the Swan Education Partnership Limited, the remaining funds of £39,000 were transferred across to the Sponne School to contribute towards teaching school costs in the 2016-17 year.

**25. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £23,394 (2016 - £13,695) and disbursed £19,553 (2016 - £12,191) from the fund. An amount of £13,600 (2016 - £7,838) is included in other creditors relating to undistributed funds that is repayable to ESFA.

**26. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST**

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
<b>Tangible fixed assets</b>			
Long-term leasehold property	9,716,217	-	9,716,217
Furniture	3,832	-	3,832
Equipment	9,996	-	9,996
Cash in bank and in hand	468,601	-	468,601
<b>Pensions</b>			
Pensions - pension scheme assets	2,120,000	-	2,120,000
Pensions - pension scheme liabilities	(4,831,000)	-	(4,831,000)
<b>Net assets</b>	<b>7,487,646</b>	<b>-</b>	<b>7,487,646</b>