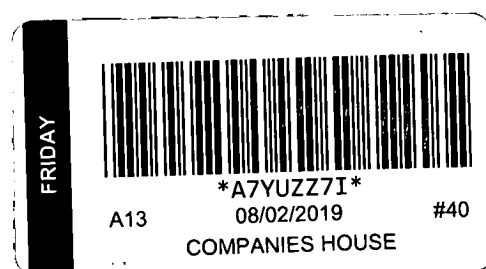


Company Registration No. 08248059 (England and Wales)

TANDRIDGE LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



TANDRIDGE LEARNING TRUST

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TANDRIDGE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Bateman
G Bull
A Catford
S Davison
A Woodhouse

Directors

K Quinton (Chair)
R Baker (Appointed 31 January 2018)
S Berke (Resigned 7 January 2018)
S Burn
C Fernandes (Resigned 7 January 2018)
A Ghattas
M Goodwin (Appointed 30 January 2018 and resigned 3 August 2018)
C Hicks (Resigned 30 January 2018)
C Jones (Resigned 11 February 2018)
S Malik (Vice Chair) (Resigned 7 January 2018)
D Prothero
J Spedding
L Townsend (Resigned 19 February 2018)

Senior management team

| | |
|--------------|--|
| N Bradwell | - Chief Executive Officer |
| C Cuddington | - Chief Financial Officer (appointed 17 August 2018 until 15 October 2018) |
| J Hawkins | - Chief Financial Officer (resigned 17 August 2018) |
| P Chowdhury | - Director of Finance and Operations (appointed 15 October 2018) |
| K Bellinger | - Headteacher |
| A Elstob | - Headteacher |
| D Gregori | - Headteacher (acting) |
| N Riches | - Headteacher |

Company secretary

P Chowdhury

Company registration number

08248059 (England and Wales)

Registered office

Warlingham School
Tithepit Shaw Lane
Warlingham
Surrey
CR6 9YB

TANDRIDGE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Warlingham School
Bletchingley Village Primary School
Hamsey Green Primary School
Tatsfield Primary School
Woodlea Primary School
Tandridge Learning Trust

Location

Warlingham
Bletchingley
Warlingham
Tatsfield, Westerham
Woldingham
Warlingham

CEO

N Bradwell
D Gregori from 01/09/17
A Elstob from 01/09/17
K Bellinger
N Riches
N Bradwell

Independent auditor

Wilkins Kennedy Audit Services
Greytown House
221-227 High Street
Orpington
BR6 0NZ

Bankers

Lloyds Bank plc
21 Station Avenue
Caterham
Surrey
CR3 6YT

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

TANDRIDGE LEARNING TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The directors present their annual report together with the financial statements and independent auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Tandridge Learning Trust operates five academy schools for children aged 2 to 19 in Tandridge, Surrey: Bletchingley Village Primary School, Hamsey Green Primary School and Children's Centre, Tatsfield Primary School, Warlingham Secondary School and Woodlea Primary School. The schools had a combined roll of 2,514 in the school census of October 2017.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 08248059) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The charitable company is known as Tandridge Learning Trust.

The directors are the trustees of Tandridge Learning Trust and are also the directors of the charitable company for the purposes of company law. Details of the directors who served during 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.

Method of recruitment and appointment or election of directors

The members of the Academy Trust shall comprise the signatories to the Memorandum, and any person appointed under Article 15a of the Articles of Association. The number of Members shall not be less than 3.

The Academy Trust shall have up to 11 Trustees on the Board appointed by the Members under Article 50. The number of Trustees shall be not less than 3, but shall not be subject to a maximum. The Board may also appoint Co-opted Trustees under Article 58. A person who is appointed to be a Trustee can only be co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if the number of Trustees who are employed by the Academy Trust would thereby exceed one third of the total number of Trustees.

The term of office for any Trustee shall be 4 years. Any Trustee may be re-appointed or re-elected.

Local committees, entitled Governing Bodies, will appoint local governors in the manner which they see fit, with the proviso that the specification in the Articles of Association that there must be a minimum of two parents within each local governing body is met.

Policies and procedures adopted for the induction and training of directors

During the year under review the Trustees held 7 meetings.

All Trustees are encouraged to develop their knowledge and understanding of the role by attending relevant training events. As the Trust consolidates into its new form, specific induction materials and programmes for new Trustees will be put in place.

All Trustees are provided with access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

The Trust ran a training event for Head Teachers, Chairs of local governing bodies, Trustees and some Governors to review Trust terms of reference, code of conduct and reporting/communication structures.

TANDRIDGE LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal activities

The principal activity of the Multi Academy Trust is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Organisational structure

A Scheme of Delegation is in place which sets out the responsibilities of the Trust Board and the Local Governing Bodies.

Local governors continue to challenge in order to drive improvements in their school, to monitor the school's performance and ensure that budgets are well managed and implemented. They set an annual budget which is submitted to the Trust Board for approval and once approved can make decisions about the direction of their individual school, its capital expenditure and appointment of staff within the guidance of the CEO and CFO.

The Executive Team are the Head teachers of the constituent schools. These leaders control the trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. They must propose, consult or take responsibility for a range of functions and decisions either as a group or within their own schools.

Trustees have accountability for the academic and financial performance of all schools within the Trust and for strategic direction.

The Scheme of Delegation and Trust finance policy set out authorisation levels for the Executive Team, Local Governing Bodies and the Board of Trustees.

The CEO is the Accounting Officer. The COO is the Chief Finance Officer.

Arrangements for setting pay and remuneration of key management personnel

The Academy's key management personnel are the Chief Executive Officer, Head Teachers of the constituent schools and the Chief Operating Officer.

The Trustees will determine pay for the CEO and Head Teachers in accordance with the Pay Policy, current edition of the STPCD and other statutory regulations issued by the Secretary of State.

The arrangements for the Chief Operating Officer's pay and remuneration have been set in line with the Trust's Pay Policy. The salary range will be determined by reference to the Surrey County Council support staff framework and market rate.

TANDRIDGE LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Trade union facility time

Relevant union officials

| | |
|--|------|
| Number of employees who were relevant union officials during the relevant period | 2 |
| Full-time equivalent employee number | 2.00 |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | 1 |
| 1%-50% | 1 |
| 51%-99% | - |
| 100% | - |

Percentage of pay bill spent on facility time

| | |
|---|-----------|
| Total cost of facility time | 458 |
| Total pay bill | 9,853,348 |
| Percentage of the total pay bill spent on facility time | - |

Paid trade union activities

| | |
|---|------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | 100% |
|---|------|

Related parties and other connected charities and organisations

The Trust has formal links to four other organisations: Warlingham School Trading Company Limited, Warlingham School Educational Trust, Tatsfield Primary School Parent and Teachers Association and Woodlea School PTA. Warlingham School Trading Company is an incorporated company set up by the School for the purposes of hiring premises.

The Warlingham School Educational Trust, Tatsfield Primary School Parent and Teachers Association and Woodlea School PTA are charities set up for the purposes of furthering education at the schools through charitable donations from parents and others.

All of the constituent schools of the Trust formed part of the Tandridge Education Partnership Company, an organisation through which member schools in Tandridge can work in partnership, and obtain services, training, information and support until its closure on 31 March 2018.

Objectives and activities

Objects and aims

The Academy Trust's objectives, as set out in the Articles are:

a) 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 a school offering a broad and balanced curriculum being Tandridge Learning Trust and

b) to promote for the benefit of the inhabitants of Surrey and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of the said inhabitants.

Objectives, strategies and activities

The objectives, strategies and activities of academies within the Tandridge Learning Trust are fully outlined in the School Improvement Plans of each school. These plans are reviewed annually and monitored on a regular basis, typically termly.

TANDRIDGE LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Public benefit

The public benefit provided by the Trust is outlined in the Objects and Aims above. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting appropriate policies for the year.

The Trustees ensure that the admission arrangements for all schools within the Trust adhere to the Schools' Admissions Code. All schools within the Trust adopt admission arrangements which are in line with those of the Local Authority within which each school sits.

Strategic report

Achievements and performance

Tandridge Learning Trust is made up of one secondary school and four primary schools and was formed on 1.5.17. This report contains the achievements and performances of the schools during the 2017-18 academic year. It is important to recognise that a number of national reforms have been introduced this year and therefore the Government's key performance indicators have also undergone change making comparability with previous years more difficult. Other statistics have been included that help to add context to the students' outcomes.

Key Performance Indicators:

Early Years Foundation Stage Reception Profile: 2018 Outcomes:

| | Bletchingley Village Primary School | Hamsey Green Primary School | Tatsfield Primary School | Woodlea Primary School | National |
|--------------|-------------------------------------|-----------------------------|--------------------------|------------------------|----------|
| GLD all 2018 | 68% | 72% | 80% | 77% | 69.3% |
| 2017 | 66% | 71% | 77% | 90% | 69.3% |

Phonics:

| | Bletchingley Village Primary School | Hamsey Green Primary School | Tatsfield Primary School | Woodlea Primary School | National |
|-----------------|-------------------------------------|-----------------------------|--------------------------|------------------------|----------|
| Year 1 all 2018 | 67% | 75% | 80% | 87% | n/a |
| 2017 | 61% | 87% | 74% | 56% | 81 |

KS2 (Statutory tests for Reading and Mathematics; teacher assessment for writing):

| | Bletchingley Village Primary School | Hamsey Green Primary School | Tatsfield Primary School | Woodlea Primary School | National |
|-------------------------|-------------------------------------|-----------------------------|--------------------------|------------------------|----------|
| Above floor? | Yes | Yes | Yes | Yes | n/a |
| Coasting? | No | No | No | No | n/a |
| R, W and M expected all | 82% | 36% | 75% | 74% | 64% |
| 2017 | 76% | 55% | 77% | 72% | 61% |

Key Stage 4 Outcomes for Warlingham School 2018:

| | | | |
|-------------|-------|-------|--------|
| Progress 8: | 2016 | 2017 | 2018 |
| | -0.04 | +0.05 | +0.094 |

TANDRIDGE LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

Key Stage 4 Outcomes for Warlingham School 2018 (cont'd):

| Attainment 2017: | | Attainment 2018: | |
|--|------|--|------|
| Attainment 8 | 4.79 | Attainment 8 | 4.73 |
| % achieving the Basics measure (Grade 4-9) | 73% | % achieving the Basics measure (Grade 4-9) | 72% |
| % achieving the Basics measure (Grade 5-9) | 45% | % achieving the Basics measure (Grade 5-9) | 41% |

| Other Headlines 2017: | | Other Headlines 2018: | |
|---|-----|---|-----|
| % achieving 4-9 in English | 85% | % achieving 4-9 in English | 83% |
| % achieving 5-9 in English | 63% | % achieving 5-9 in English | 63% |
| % achieving 4-9 in Maths | 77% | % achieving 4-9 in Maths | 77% |
| % achieving 5-9 in Maths | 51% | % achieving 5-9 in Maths | 51% |
| % achieving A*-C in Science | 79% | % achieving A*-C in Science | 72% |
| % achieving 5 or more 4-9/A*C grades (inc. En + Ma) | 70% | % achieving 5 or more 4-9/A*C grades (inc. En + Ma) | 72% |
| % achieving 5 or more 5-9/A*C grades (inc. En + Ma) | 45% | % achieving 5 or more 5-9/A*C grades (inc. En + Ma) | 41% |
| % achieving the English Baccalaureate | 13% | % achieving the English Baccalaureate | 7% |

Key Stage 5 Outcomes for Warlingham School 2018:

A Level

48.1% of all grades were A*-B (compared to 33.5% in 2017)
71% of all grades were A*-C (compared to 67% in 2017)
98% of all grades were A*-E (compared to 98% in 2017)

Vocational

Average vocational grade in 2018 was Merit+ compared to Distinction in 2017.

Success rates for re-takes in GCSE Maths and English in the Sixth Form continue to be outstanding and significantly above the national figure.

Going concern

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

TANDRIDGE LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2018, total expenditure of £14,467k (2017: £10,694k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £688k (2017: (excess of expenditure over income £1,064k)).

At 31 August 2018 the net book value of fixed assets was £33,756k (2017: £34,003k). Movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Surrey County Council Local Government Pension Fund, in which the Academy participates, showed a deficit of £4,144k at 31 August 2018 (2017: £4,476k).

Financial position

The Academy held fund balances at 31 August 2018 of £32,195k (2017: £32,145k) comprising £29,858k restricted funds and £2,337k (2017: £2,512k) of unrestricted general funds. Of the restricted funds £33,756k (2017: £34,003k) is represented by tangible fixed assets and £180k (2017: £50k) of unspent capital grants and restricted funds relating to GAG totalling £66k (2017: £56k).

The pension reserve which is considered part of restricted funds was £4,144k (2017: £4,476k) in deficit.

Reserves policy

The Trustees review the reserve levels of the Academies annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be £965k (2016: £625k), approximately equivalent to four weeks' expenditure.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of free reserves of £2,355k (2017: £2,512k) (total funds less the amount held in fixed assets and restricted funds). The Trustees expect the level of general unrestricted funds to reduce in the coming years and this has been reflected in the long term budget planning. The reduction in funds will include expenditure finalising existing capital projects and supporting MAT conversion.

The total funds at 31 August 2018 is £32,195k including £29,858k of restricted funds.

Of the restricted funds £33,756k (2017: £34,003k) is represented by tangible fixed assets and £180k (2017: £50k) of unspent capital grants and restricted funds relating to GAG totalling £66k (2017: £56k). The pension reserve which is considered part of restricted funds was £4,144k (2017: £4,476k) in deficit.

Investment policy

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

TANDRIDGE LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Trustees have additionally introduced systems, including operational procedures and internal financial controls in order to minimise risk. The internal financial controls are explained in more detail in the Governance Statement on page 11. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The principal risks and uncertainties that Tandridge Learning Trust faces are mitigated by the risk management process that the academy trust has in place.

Financial and risk management objectives and policies

The financial risks to which Tandridge Learning Trust is exposed to relate primarily to:

- Government funding reduced
- Cost of living rises unsupported by increased revenue funding

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £4,144k (2017: £4,476k).

Fundraising

The Academy Trust does not employ any professional fundraisers to fund raise on its behalf but all staff members and any volunteers involved in fundraising activities are trained in accordance with recognised standards so as to ensure that the public, including vulnerable people, are protected from unreasonable or intrusive approaches. The Academy Trust has not received any complaints about its fund raising activities.

Plans for future periods

Learning and Teaching

- Ensure excellent progress for all students by using data to set challenging learning targets and to measure progress at every stage.
- Ensure consistently great teaching by helping all teaching staff to make excellent progress in their own professional development and especially in the areas of teaching, marking and assessment.
- Develop a curriculum of academic and vocational subjects which meets the needs of all student and gives them as much choice as possible.
- Develop students' learning skills, resilience, independence and tolerance: give them exposure to a range of experiences and opportunities.
- Ensure high quality advice and guidance to inform student choices at GCSE, AS, A Levels, University or other pathways leading to their chosen careers.
- Place great emphasis and importance on students' personal health, wellbeing, social and spiritual lives.
- Celebrate success.
- Be creative and innovative.

Strategic Objectives

- Support all schools to be at least good
- Consider expansion with an aim to grow towards 6-8 schools in the next five years
- Improve the operational efficiency of our organisation
- Enhance the governance of the Trust Board
- Develop Tandridge Learning Trust branding and marketing strategy
- Develop an income generation strategy

TANDRIDGE LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Learning Environment

- Ensure that staffing structures, rewards and professional development secure a high performing and well-motivated body of staff.
- Address any performance issues with staff openly and in a supportive way to ensure the best outcomes for all.
- Maintain financial security by generating increased revenue and delivering operational efficiencies to ensure the schools run on a sound and sustainable basis.
- Deploy financial resources thoughtfully and efficiently to deliver future development plans.
- Improve the quality of the learning environment by securing funding to provide safe and attractive facilities in which children can learn.
- Work in partnerships that will create financial security through improved effectiveness and revenue generation.

Learning Partnerships

- We will provide robust challenge combined with relevant support for each school within the Trust to ensure that every child, no matter their ability or circumstances, achieves their best possible outcomes.
- The Trust will provide wider opportunities for children, young people and staff by broadening the curriculum offer, sharing specialist staff and improving professional development.
- Sharing best practice and inter-school collaboration will improve teaching, learning and outcomes for all our children and young people.
- By operating as a cross phase MAT we can improve transition between primary, secondary and special schools and thus improve learning outcomes.

Auditor

In so far as the directors are aware:

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

The directors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11.12.2018 and signed on its behalf by:



K Quinton
Chair

TANDRIDGE LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As directors we acknowledge we have overall responsibility for ensuring that Tandridge 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 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 Tandridge Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The board of trustees has formally held 7 meetings/year. Attendance during the year at meetings of the board of trustees was as follows:

| Directors | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| K Quinton (Chair) | 7 | 7 |
| R Baker (Appointed 31 January 2018) | 5 | 5 |
| S Berke (Resigned 7 January 2018) | 1 | 2 |
| S Burn | 6 | 7 |
| C Fernandes (Resigned 7 January 2018) | 2 | 2 |
| A Ghattas | 6 | 7 |
| M Goodwin (Appointed 30 January 2018 and resigned 3 August 2018) | 4 | 5 |
| C Hicks (Resigned 30 January 2018) | 1 | 2 |
| C Jones (Resigned 11 February 2018) | 2 | 2 |
| S Malik (Vice Chair) (Resigned 7 January 2018) | 0 | 2 |
| D Prothero | 6 | 7 |
| J Spedding | 7 | 7 |
| L Townsend (Resigned 19 February 2018) | 1 | 2 |

The Trust Board have focussed most of its attention in the past year on its successful transition in May to multi-academy trust status. We utilised the skills audit undertaken in order to inform the application process to inform our succession planning and the selection of appropriate trustees at the point of conversion to support the embedding of our successful transition from Stand Alone Academy to Multi Academy Trust.

Ruth Murton, a National Leader of Governance, has provided external consultancy to the Trust during the transition, and her ongoing contributions are always greatly valued.

Ruth will continue to work with the Trust to review the success of the organisational structure, scheme of delegation and develop their impact on the effective delivery of the Board during this important period of its development.

TANDRIDGE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

On conversion from Stand Alone Academy to Multi Academy Trust the composition of the Board of Trustees altered significantly to ensure that an appropriate skill set was represented.

It was decided that the CEO would not be represented on the Trust Board, and that the Head Teachers of each of the constituent schools would form the Executive Board of the Trust.

Six trustees, bringing relevant expertise to support the developing Multi Academy Trust, were appointed at the point of transition. The Trust Board is meeting in its entirety each half term to oversee:

- School Improvement
- Student and learning outcomes
- Finance and HR
- Governance.

There is a separate audit committee to ensure that financial management is properly scrutinised.

The Finance and Audit is a sub-committee of the main board of trustees. Its purpose is to:

ensure that financial management is properly scrutinised.

| Directors | Meetings attended | Out of possible |
|-------------------------------------|-------------------|-----------------|
| R Baker (Appointed 31 January 2018) | 2 | 2 |
| S Burn | 3 | 3 |
| A Ghattas | 3 | 3 |
| J Spedding | 2 | 2 |

Review of value for money

As accounting officer the 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Reviewing expenditure on a monthly basis, including reviewing and countersigning bank reconciliations and reporting to the Full Governing Body/ Trust Board at each scheduled meeting
- Ensuring staff with budget responsibilities receive regular monthly reports and ensure they stay within their allocated budgets
- Providing Trustees with regular reports and recommendations from the external auditors, responsible officer.
- Ensuring significant spending proposals are costed and presented to the Local Governing bodies and the Board of Trustees for consideration and challenge
- Benchmarking main areas of expenditure against similar schools to improve purchasing.
- Reviewing staffing structure, timetable and curriculum provision to ensure efficient deployment of staff provides best value

TANDRIDGE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Tandridge Learning Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of directors 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 directors 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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

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 Local Governing bodies and board of trustees;
- regular reviews by the Finance and Facilities of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trust Board has considered the need for a specific internal audit function and has decided not to appoint a Responsible Officer. However, the Governors have appointed ASCL, as Internal Auditor (IA). The IA's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The IA will be providing on a termly basis; the IA reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. No material control issues were identified.

Current checks carried out each visit by the internal auditor include:

- Revisit of outstanding issued from previous visits/reports
- Sampling checks in purchasing, procurement, income and payroll
- Examine the organisations strategic financial planning processes and benchmarking to ensure budget plans are as robust and reliable as possible
- Consider monitoring and reporting procedures to ensure compliance with the requirements of the Academies Financial Handbook
- Help to assess the risks and potential solutions where weaknesses are identified
- To provide a written report within seven working days of the visit

TANDRIDGE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Review of effectiveness

As Accounting Officer, the CEO, Nick Bradwell has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- termly visits by the Responsible Officer (Internal Auditor). Findings from these visits verify the accuracy of the central Finance Team's risk assessment. Reports are followed up by the Finance and Audit Committee and Head Teachers' Executive Board;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 11-12-2018 and signed on its behalf by:



K Quinton
Chair

TANDRIDGE LEARNING TRUST

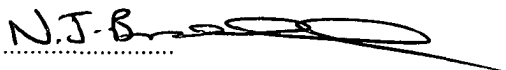
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Tandridge Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

N Bradwell
Accounting Officer


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TANDRIDGE LEARNING TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

In preparing these financial statements, the directors are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 11.12.2018 and signed on its behalf by:



K Quinton
Chair

TANDRIDGE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TANDRIDGE LEARNING TRUST

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the financial statements of Tandridge Learning Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

TANDRIDGE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TANDRIDGE LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions 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 directors' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report including the incorporated 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 the 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 directors' report, including the incorporated strategic report.

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

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the charitable company, 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

TANDRIDGE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TANDRIDGE LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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

Wilkins Kennedy Audit Services

Michelle Wilkes (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services

13/12/18

Statutory Auditor

Greytown House
221-227 High Street
Orpington
BR6 0NZ

TANDRIDGE LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 13 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tandridge Learning Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Tandridge Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Tandridge Learning Trust's funding agreement with the Secretary of State for Education dated 1 November 2012 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

TANDRIDGE LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TANDRIDGE LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy Audit Services

Reporting Accountant

Wilkins Kennedy Audit Services
Greytown House
221-227 High Street
Orpington
BR6 ONZ

Dated: 13/12/18

TANDRIDGE LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

| | Notes | Unrestricted Funds £'000 | Restricted funds: General Fixed asset £'000 £'000 | Total 2018 £'000 | Total 2017 £'000 |
|---|-------|--------------------------------|---|------------------------|------------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 610 | - | 338 | 948 |
| Donations - transfer from local authority on conversion | | - | - | - | 13,190 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | - | 12,285 | - | 12,285 |
| Other trading activities | 5 | 371 | - | - | 371 |
| Investments | 6 | 2 | - | - | 2 |
| Total | | 983 | 12,285 | 338 | 13,606 |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 9 | 645 | 13,311 | 511 | 14,467 |
| Total | 7 | 645 | 13,311 | 511 | 10,693 |
| Net income/(expenditure) | | 338 | (1,026) | (173) | (861) |
| Transfers between funds | 18 | (513) | 457 | 56 | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial gains on defined benefit pension schemes | 20 | - | 911 | - | 911 |
| Net movement in funds | | (175) | 342 | (117) | 50 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 2,512 | (4,420) | 34,053 | 32,145 |
| Total funds carried forward | | 2,337 | (4,078) | 33,936 | 32,145 |

TANDRIDGE LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

| Comparative year information | | Unrestricted | Restricted funds: | | Total |
|---|-------|--------------|-------------------|---------------|---------------|
| Year ended 31 August 2017 | | Funds | General | Fixed asset | 2017 |
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 477 | - | 50 | 527 |
| Donations - transfer from local authority on conversion | | 560 | (1,451) | 14,081 | 13,190 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | - | 9,369 | - | 9,369 |
| Other trading activities | 5 | 242 | - | - | 242 |
| Investments | 6 | 1 | - | - | 1 |
| Total | | <u>1,280</u> | <u>7,918</u> | <u>14,131</u> | <u>23,329</u> |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 9 | 400 | 9,862 | 431 | 10,693 |
| Total | 7 | <u>400</u> | <u>9,862</u> | <u>431</u> | <u>10,693</u> |
| Net income/(expenditure) | | 880 | (1,944) | 13,700 | 12,636 |
| Transfers between funds | 18 | (108) | 281 | (173) | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial gains on defined benefit pension schemes | 20 | - | 606 | - | 606 |
| Net movement in funds | | 772 | (1,057) | 13,527 | 13,242 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 1,739 | (3,362) | 20,526 | 18,903 |
| Total funds carried forward | | <u>2,511</u> | <u>(4,419)</u> | <u>34,053</u> | <u>32,145</u> |

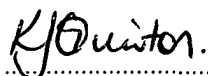
TANDRIDGE LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

| | | 2018 | 2017 |
|--|-------|----------------------|----------------------|
| | Notes | £'000 | £'000 |
| Fixed assets | | | |
| Tangible assets | 13 | 33,756 | 34,003 |
| Current assets | | | |
| Stocks | 14 | - | 5 |
| Debtors | 15 | 506 | 506 |
| Cash at bank and in hand | | 3,431 | 3,214 |
| | | <u>3,937</u> | <u>3,725</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 16 | (1,354) | (1,107) |
| Net current assets | | <u>2,583</u> | <u>2,618</u> |
| Net assets excluding pension liability | | <u>36,339</u> | <u>36,621</u> |
| Defined benefit pension scheme liability | 20 | (4,144) | (4,476) |
| Net assets | | <u><u>32,195</u></u> | <u><u>32,145</u></u> |
| Funds of the academy trust: | | | |
| Restricted funds | 18 | | |
| - Fixed asset funds | | 33,936 | 34,053 |
| - Restricted income funds | | 66 | 57 |
| - Pension reserve | | (4,144) | (4,476) |
| Total restricted funds | | <u>29,858</u> | <u>29,634</u> |
| Unrestricted income funds | 18 | <u>2,337</u> | <u>2,511</u> |
| Total funds | | <u><u>32,195</u></u> | <u><u>32,145</u></u> |

The financial statements on pages 22 to 48 were approved by the directors and authorised for issue on 11.12.2018 and are signed on their behalf by:



K Quinton
Chair

Company Number 08248059

TANDRIDGE LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

| | Notes | 2018 £'000 | 2017 £'000 |
|--|-------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 21 | 141 | 229 |
| Cash funds transferred on conversion | | - | 580 |
| | | <u>141</u> | <u>809</u> |
| Cash flows from investing activities | | | |
| Dividends, interest and rents from investments | | 2 | 1 |
| Capital grants from DfE Group | | 328 | 50 |
| Capital funding received from sponsors and others | | 10 | - |
| Purchase of tangible fixed assets | | (264) | (110) |
| Net cash provided by/(used in) investing activities | | <u>76</u> | <u>(59)</u> |
| Net increase in cash and cash equivalents in the reporting period | | <u>217</u> | <u>750</u> |
| Cash and cash equivalents at beginning of the year | | 3,214 | 2,464 |
| Cash and cash equivalents at end of the year | | <u><u>3,431</u></u> | <u><u>3,214</u></u> |

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

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

1.2 Going concern

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

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

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

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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'.

Donated fixed assets

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

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing less than £3,000 or a group of similar items costing £10,000 are written off. All others are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds the cost is transferred to the restricted fixed asset fund, depreciation on such assets is charged to the restricted fixed asset fund.

The property at Warlingham School has been included at the valuation provided by the ESFA when completing their desktop valuation.

The properties at Bletchingley Village Primary School, Hamsey Green Primary School and Tatsfield Primary School have been included based on the valuation provided by the Valuation Office Agency as at 31 March 2015 and included at the carrying value provided by the Valuation Office Agency as at 1 May 2017.

The properties at Woodlea Primary School has been included based on the valuation provided by the Valuation Office Agency as at 31 March 2016 and included at the carrying value provided by the Valuation Office Agency as at 1 May 2017.

The academies have a 125 year lease from the date of conversion for the use of the land and buildings with the local authority.

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

| | |
|--------------------------------|---------------------------------------|
| Land and buildings | Buildings 2%, Land is not depreciated |
| Assets under construction | Nil |
| Computer equipment | 33.3% |
| Fixtures, fittings & equipment | 10-20% |
| Motor vehicles | 25% |

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 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.

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.7 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 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. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

1.12 Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Trustees.

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

Restricted funds comprise all other restricted funds received and include grants from the ESFA and DfE.

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 27.

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Donations and capital grants

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2018 £'000 | Total 2017 £'000 |
|-----------------|--------------------------------|------------------------------|------------------------|------------------------|
| School trips | 550 | - | 550 | 437 |
| Capital grants | - | 328 | 328 | 50 |
| Other donations | 60 | 10 | 70 | 40 |
| | <u>610</u> | <u>338</u> | <u>948</u> | <u>527</u> |

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2018 £'000 | Total 2017 £'000 |
|--------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| DfE / ESFA grants | | | | |
| General annual grant (GAG) | - | 11,006 | 11,006 | 8,571 |
| Start up grants | - | - | - | 100 |
| Other DfE group grants | - | 827 | 827 | 301 |
| | - | 11,833 | 11,833 | 8,972 |
| Other government grants | | | | |
| Local authority grants | - | 337 | 337 | 275 |
| Special educational projects | - | 42 | 42 | 68 |
| | - | 379 | 379 | 343 |
| Other funding | | | | |
| Childrens Centre income | - | 73 | 73 | 30 |
| Other incoming resources | - | - | - | 24 |
| | - | 73 | 73 | 54 |
| Total funding | - | 12,285 | 12,285 | 9,369 |

5 Other trading activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2018 £'000 | Total 2017 £'000 |
|--------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Hire of facilities | 155 | - | 155 | 169 |
| Catering income | 41 | - | 41 | 17 |
| Other income | 175 | - | 175 | 56 |
| | 371 | - | 371 | 242 |

6 Investment income

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2018 £'000 | Total 2017 £'000 |
|---------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Short term deposits | 2 | - | 2 | 1 |

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

| | Staff costs £'000 | Non Pay Expenditure Premises £'000 | Other £'000 | Total 2018 £'000 | Total 2017 £'000 |
|----------------------------------|----------------------|--|----------------|------------------------|------------------------|
| Academy's educational operations | | | | | |
| - Direct costs | 8,656 | 423 | 1,241 | 10,320 | 7,778 |
| - Allocated support costs | 2,222 | 1,044 | 881 | 4,147 | 2,915 |
| | <u>10,878</u> | <u>1,467</u> | <u>2,122</u> | <u>14,467</u> | <u>10,693</u> |

| | | |
|--|-----------------------|-----------------------|
| Net income/(expenditure) for the year includes: | 2018 £'000 | 2017 £'000 |
| Fees payable to auditor for: | | |
| - Audit | 17 | 17 |
| - Other services | 8 | 9 |
| Operating lease rentals | 2 | 27 |
| Depreciation of tangible fixed assets | 511 | 431 |
| Net interest on defined benefit pension liability | 117 | 82 |
| | <u> </u> | <u> </u> |

8 Central services

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

- financial services
- legal services

The academy trust charges for these services on the following basis:

- 1.5% of GAG School Budget Share

Charges for 2018 related to the entire year (2017: 4 months to 31 August 2017).

| | | |
|--|-----------------------|-----------------------|
| The amounts charged during the year were as follows: | 2018 £'000 | 2017 £'000 |
| Warlingham School | 109 | 44 |
| Bletchingley Village Primary School | 17 | 5 |
| Hamsey Green Primary School | 23 | 7 |
| Tatsfield Primary School | 12 | 4 |
| Woodlea Primary School | 11 | 4 |
| Tandridge Learning Trust | - | - |
| | <u>172</u> | <u>64</u> |

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2018 £'000 | Total 2017 £'000 |
|----------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Direct costs | | | | |
| Educational operations | 645 | 9,675 | 10,320 | 7,778 |
| Support costs | | | | |
| Educational operations | - | 4,147 | 4,147 | 2,915 |
| | <u>645</u> | <u>13,822</u> | <u>14,467</u> | <u>10,693</u> |
| | | | 2018 | 2017 |
| | | | £'000 | £'000 |
| Analysis of support costs | | | | |
| Support staff costs | | | 2,222 | 1,460 |
| Depreciation | | | 88 | 98 |
| Technology costs | | | 103 | 97 |
| Premises costs | | | 956 | 776 |
| Other support costs | | | 736 | 406 |
| Governance costs | | | 42 | 78 |
| | | | <u>4,147</u> | <u>2,915</u> |

10 Staff

Staff costs

Staff costs during the year were:

| | 2018 £'000 | 2017 £'000 |
|---|---------------|---------------|
| Wages and salaries | 7,947 | 6,090 |
| Social security costs | 711 | 559 |
| Pension costs | 1,890 | 1,297 |
| Staff costs | <u>10,548</u> | <u>7,946</u> |
| Agency staff costs | 247 | 86 |
| Staff development and other staff costs | 83 | 32 |
| Total staff expenditure | <u>10,878</u> | <u>8,064</u> |

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Staff numbers

The average number of persons, by headcount, employed by the academy trust during the year was as follows:

| | 2018 Number | 2017 Number |
|----------------------------|----------------|----------------|
| Teachers | 143 | 143 |
| Administration and support | 205 | 242 |
| Management | 6 | 6 |
| | <u>354</u> | <u>391</u> |

Higher paid staff

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

| | 2018 Number | 2017 Number |
|---------------------|----------------|----------------|
| £60,001 - £70,000 | 6 | 3 |
| £70,001 - £80,000 | 2 | 2 |
| £100,001 - £110,000 | - | 1 |
| £110,001 - £120,000 | 1 | - |
| | <u>9</u> | <u>6</u> |

Key management personnel

The key management personnel of the academy trust comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance contributions) received by key management personnel for their services to the academy trust was £531k (2017: £476k).

11 Directors' remuneration and expenses

None of the directors have been paid remuneration or have received other benefits from an employment with the academy trust. The CEO and other staff directors only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment, and not in respect of their services as directors.

During the year, no expenses were reimbursed or paid directly to directors (2017: Nil).

Other related party transactions involving the directors are set out within the related parties note.

12 Directors and officers insurance

The academy has opted into the Department of 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.

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets

| | Land and buildings | Assets under construction | Computer equipment | Fixtures, fittings & equipment | Motor vehicles | Total |
|-----------------------|-----------------------|---------------------------------|-----------------------|--------------------------------------|-------------------|--------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | | |
| At 1 September 2017 | 35,197 | - | 512 | 205 | 59 | 35,973 |
| Additions | - | 53 | 70 | 141 | - | 264 |
| At 31 August 2018 | 35,197 | 53 | 582 | 346 | 59 | 36,237 |
| Depreciation | | | | | | |
| At 1 September 2017 | 1,343 | - | 459 | 135 | 33 | 1,970 |
| Charge for the year | 423 | - | 30 | 51 | 7 | 511 |
| At 31 August 2018 | 1,766 | - | 489 | 186 | 40 | 2,481 |
| Net book value | | | | | | |
| At 31 August 2018 | 33,431 | 53 | 93 | 160 | 19 | 33,756 |
| At 31 August 2017 | 33,854 | - | 53 | 70 | 26 | 34,003 |

Included in cost of leasehold land and buildings is land of £14,047k (2017: £14,047k) which is not depreciated.

The assets under construction relate to a modular building replacement at Hamsey Green Primary School.

14 Stocks

| | 2018 £'000 | 2017 £'000 |
|----------------|---------------|---------------|
| School uniform | - | 5 |

15 Debtors

| | 2018 £'000 | 2017 £'000 |
|--------------------------------|---------------|---------------|
| Trade debtors | 34 | 51 |
| VAT recoverable | 143 | 112 |
| Prepayments and accrued income | 329 | 343 |
| | 506 | 506 |

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

| | | | |
|-----------|---|-------------------|-------------------|
| 16 | Creditors: amounts falling due within one year | 2018 | 2017 |
| | | £'000 | £'000 |
| | Trade creditors | 437 | 341 |
| | Other taxation and social security | 181 | 185 |
| | Other creditors | 253 | 219 |
| | Accruals and deferred income | 483 | 362 |
| | | <u>1,354</u> | <u>1,107</u> |
| 17 | Deferred income | 2018 | 2017 |
| | | £'000 | £'000 |
| | Deferred income is included within: | | |
| | Creditors due within one year | <u>302</u> | <u>219</u> |
| | Deferred income at 1 September 2017 | 219 | 41 |
| | Released from previous years | (219) | (41) |
| | Resources deferred in the year | <u>302</u> | <u>219</u> |
| | Deferred income at 31 August 2018 | <u>302</u> | <u>219</u> |

At the balance sheet date, the Academy Trust was holding funds received for trips paid in advance, UIFSM, ESFA Pupil Premium, Rates reclaim, bulge funding, deposits and hire of facilities relating to the financial year 2018/19.

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

| | Balance at 1 September 2017 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2018 £'000 |
|--|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 56 | 11,006 | (11,453) | 457 | 66 |
| Other DfE / ESFA grants | - | 827 | (827) | - | - |
| Other government grants | - | 379 | (379) | - | - |
| Other restricted funds | - | 73 | (73) | - | - |
| Pension reserve | (4,476) | - | (579) | 911 | (4,144) |
| | <u>(4,420)</u> | <u>12,285</u> | <u>(13,311)</u> | <u>1,368</u> | <u>(4,078)</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 19 | - | - | (5) | 14 |
| DfE group capital grants | 31 | 328 | - | (193) | 166 |
| Other capital donations (sports equipment) | - | 10 | - | (10) | - |
| General fixed assets | 34,003 | - | (511) | 264 | 33,756 |
| | <u>34,053</u> | <u>338</u> | <u>(511)</u> | <u>56</u> | <u>33,936</u> |
| Total restricted funds | <u>29,633</u> | <u>12,623</u> | <u>(13,822)</u> | <u>1,424</u> | <u>29,858</u> |
| Unrestricted funds | | | | | |
| General funds | <u>2,512</u> | <u>983</u> | <u>(645)</u> | <u>(513)</u> | <u>2,337</u> |
| Total funds | <u>32,145</u> | <u>13,606</u> | <u>(14,467)</u> | <u>911</u> | <u>32,195</u> |

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

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

Other DFE/ESFA grants: This includes the pupil premium, UIFSM, sports funding grant and year 7 catch up grant.

Other government grants: This includes SEN funding and additional pupil premium received from the Local Authority.

Other restricted funds relates to Local Authority funding for the Children's centre.

The capital grants included devolved capital grant and CIF Grant for the replacement of classroom lighting and ceilings at Bletchingley Primary School and Block Replacement at Hamsey Green Primary School.

The transfer of funds represent the purchase of fixed asset during the period, expenditure funding from unrestricted funds and repairs and maintenance funded from capital grants.

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

| | Balance at 1 September 2016 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2017 £'000 |
|-------------------------------------|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 8,571 | (8,790) | 275 | 56 |
| Start up grants | - | 100 | (100) | - | - |
| Other DfE / ESFA grants | - | 301 | (301) | - | - |
| Other government grants | - | 343 | (343) | - | - |
| Childrens Centre | - | 30 | (36) | 6 | - |
| Other restricted funds | 10 | 24 | (34) | - | - |
| Pension reserve | (3,372) | (1,451) | (259) | 606 | (4,476) |
| | <u>(3,362)</u> | <u>7,918</u> | <u>(9,863)</u> | <u>887</u> | <u>(4,420)</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | - | 14,081 | - | (14,062) | 19 |
| DfE group capital grants | 263 | 50 | (2) | (280) | 31 |
| General fixed assets | 20,263 | - | (429) | 14,169 | 34,003 |
| | <u>20,526</u> | <u>14,131</u> | <u>(431)</u> | <u>(173)</u> | <u>34,053</u> |
| Total restricted funds | <u>17,164</u> | <u>22,049</u> | <u>(10,294)</u> | <u>714</u> | <u>29,633</u> |
| Unrestricted funds | | | | | |
| General funds | <u>1,739</u> | <u>1,281</u> | <u>(400)</u> | <u>(108)</u> | <u>2,512</u> |
| Total funds | <u>18,903</u> | <u>23,330</u> | <u>(10,694)</u> | <u>606</u> | <u>32,145</u> |

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

| | Balance at 1 September 2016 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2018 £'000 |
|--|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 19,577 | (20,243) | 732 | 66 |
| Start up grants | - | 100 | (100) | - | - |
| Other DfE / ESFA grants | - | 1,128 | (1,128) | - | - |
| Other government grants | - | 722 | (722) | - | - |
| Childrens Centre | - | 30 | (36) | 6 | - |
| Other restricted funds | 10 | 97 | (107) | - | - |
| Pension reserve | (3,372) | (1,451) | (838) | 1,517 | (4,144) |
| | <u>(3,362)</u> | <u>20,203</u> | <u>(23,174)</u> | <u>2,255</u> | <u>(4,078)</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | - | 14,081 | - | (14,067) | 14 |
| DfE group capital grants | 263 | 378 | (2) | (473) | 166 |
| Other capital donations (sports equipment) | - | 10 | - | (10) | - |
| General fixed assets | 20,263 | - | (940) | 14,433 | 33,756 |
| | <u>20,526</u> | <u>14,469</u> | <u>(942)</u> | <u>(117)</u> | <u>33,936</u> |
| Total restricted funds | <u>17,164</u> | <u>34,672</u> | <u>(24,116)</u> | <u>2,138</u> | <u>29,858</u> |
| Unrestricted funds | | | | | |
| General funds | <u>1,739</u> | <u>2,264</u> | <u>(1,045)</u> | <u>(621)</u> | <u>2,337</u> |
| Total funds | <u>18,903</u> | <u>36,936</u> | <u>(25,161)</u> | <u>1,517</u> | <u>32,195</u> |

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

Total funds analysis by academy

| | 2018 £'000 | 2017 £'000 |
|--|---------------|---------------|
| Fund balances at 31 August 2018 were allocated as follows: | | |
| Warlingham School | 1,606 | 1,943 |
| Bletchingley Village Primary School | 395 | 344 |
| Hamsey Green Primary School | 232 | 145 |
| Tatsfield Primary School | 57 | 49 |
| Woodlea Primary School | 113 | 87 |
| Tandridge Learning Trust | - | - |
| Total before fixed assets fund and pension reserve | 2,403 | 2,568 |
| Restricted fixed asset fund | 33,936 | 34,053 |
| Pension reserve | (4,144) | (4,476) |
| Total funds | 32,195 | 32,145 |

Total cost analysis by academy

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

| | Teaching and educational support staff £'000 | Other support staff costs £'000 | Educational supplies £'000 | Other costs excluding depreciation £'000 | Total £'000 |
|-------------------------------------|---|---------------------------------------|----------------------------------|---|----------------|
| Warlingham School | 5,281 | 938 | 539 | 1,187 | 7,945 |
| Bletchingley Village Primary School | 919 | 173 | 76 | 446 | 1,614 |
| Hamsey Green Primary School | 1,170 | 257 | 53 | 302 | 1,782 |
| Tatsfield Primary School | 641 | 74 | 62 | 145 | 922 |
| Woodlea Primary School | 555 | 137 | 70 | 180 | 942 |
| Tandridge Learning Trust | 32 | 643 | - | 76 | 751 |
| | 8,598 | 2,222 | 800 | 2,336 | 13,956 |

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Analysis of net assets between funds

| | Unrestricted Funds £'000 | Restricted funds: General £'000 | Fixed asset £'000 | Total Funds £'000 |
|--|--------------------------------|---------------------------------------|----------------------|-------------------------|
| Fund balances at 31 August 2018 are represented by: | | | | |
| Tangible fixed assets | - | - | 33,756 | 33,756 |
| Current assets | 3,691 | 66 | 180 | 3,937 |
| Creditors falling due within one year | (1,354) | - | - | (1,354) |
| Defined benefit pension liability | - | (4,144) | - | (4,144) |
| Total net assets | 2,337 | (4,078) | 33,936 | 32,195 |
| Fund balances at 31 August 2017 are represented by: | | | | |
| Tangible fixed assets | - | - | 34,003 | 34,003 |
| Current assets | 2,512 | 1,163 | 50 | 3,725 |
| Creditors falling due within one year | - | (1,107) | - | (1,107) |
| Defined benefit pension liability | - | (4,476) | - | (4,476) |
| Total net assets | 2,512 | (4,420) | 34,053 | 32,145 |

20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £169k were payable to the schemes at 31 August 2018 (2017: £182k) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £824k (2017: £661k)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £595k.

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.

| Total contributions made | 2018 £'000 | 2017 £'000 |
|--------------------------|---------------|---------------|
| Employer's contributions | 578 | 460 |
| Employees' contributions | 143 | 99 |
| Total contributions | 721 | 559 |

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

| Principal actuarial assumptions | 2018 % | 2017 % |
|--|-----------|-----------|
| Rate of increase in salaries | 2.7 | 2.7 |
| Rate of increase for pensions in payment/inflation | 2.4 | 2.4 |
| Discount rate for scheme liabilities | 2.8 | 2.5 |
| Inflation assumption (CPI) | 2.4 | 2.4 |

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

| | 2018 Years | 2017 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 22.5 | 22.5 |
| - Females | 24.1 | 24.1 |
| Retiring in 20 years | | |
| - Males | 24.6 | 24.6 |
| - Females | 26.4 | 26.4 |

Scheme liabilities would have been affected by changes in assumptions as follows:

| | 2018 £'000 | 2017 £'000 |
|---------------------|---------------|---------------|
| Discount rate -0.5% | 1273 | 1144 |
| Salary rate +0.5% | 226 | 201 |
| Pension rate +0.5% | 1030 | 924 |

Defined benefit pension scheme net liability

| | | |
|--------------------|----------|---------|
| Scheme assets | 6,388 | 5,432 |
| Scheme obligations | (10,532) | (9,908) |
| Net liability | (4,144) | (4,476) |

The academy trust's share of the assets in the scheme

| | 2018 Fair value £'000 | 2017 Fair value £'000 |
|------------------------------|-----------------------------|-----------------------------|
| Equities | 4,599 | 4,019 |
| Bonds | 1,086 | 815 |
| Cash | 256 | 217 |
| Property | 447 | 381 |
| Total market value of assets | 6,388 | 5,432 |

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

The actual return on scheme assets was £307,000 (2017: £311,000).

| Amount recognised in the Statement of Financial Activities | 2018 £'000 | 2017 £'000 |
|--|---------------|---------------|
| Current service cost | 1,040 | 637 |
| Interest income | (144) | (78) |
| Interest cost | 261 | 160 |
| Total operating charge | 1,157 | 719 |

| Changes in the present value of defined benefit obligations | 2018 £'000 | 2017 £'000 |
|---|---------------|---------------|
| At 1 September 2017 | 9,908 | 6,349 |
| Obligations acquired on conversion | - | 3,116 |
| Current service cost | 1,040 | 637 |
| Interest cost | 261 | 160 |
| Employee contributions | 143 | 99 |
| Actuarial gain | (748) | (373) |
| Benefits paid | (72) | (80) |
| At 31 August 2018 | 10,532 | 9,908 |

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

| | 2018 £'000 | 2017 £'000 |
|-------------------------------|---------------|---------------|
| At 1 September 2017 | 5,432 | 2,977 |
| Assets acquired on conversion | - | 1,665 |
| Interest income | 144 | 78 |
| Actuarial gain | 163 | 233 |
| Employer contributions | 578 | 460 |
| Employee contributions | 143 | 99 |
| Benefits paid | (72) | (80) |
| At 31 August 2018 | 6,388 | 5,432 |

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Reconciliation of net (expenditure)/income to net cash flow from operating activities

| | 2018 £'000 | 2017 £'000 |
|--|---------------|---------------|
| Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities) | (861) | 12,636 |
| Adjusted for: | | |
| Net surplus on conversion to academy | - | (13,190) |
| Capital grants from DfE/ESFA and other capital income | (338) | (50) |
| Investment income receivable | (2) | (1) |
| Defined benefit pension costs less contributions payable | 462 | 177 |
| Defined benefit pension net finance cost | 117 | 82 |
| Depreciation of tangible fixed assets | 511 | 431 |
| Decrease/(increase) in stocks | 5 | (5) |
| (Increase) in debtors | - | (285) |
| Increase in creditors | 247 | 434 |
| Net cash provided by operating activities | 141 | 229 |

22 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education and Skills Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

The Academy is currently involved in a dispute with SGN in relation to a previously unregistered gas supply at the school. The accounts do not include any provision in respect of this matter.

23 Capital commitments

| | 2018 £'000 | 2017 £'000 |
|---|---------------|---------------|
| Expenditure contracted for but not provided in the financial statements | 170 | - |

The capital commitment relates to a block replacement CIF project.

TANDRIDGE LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

24 Related party transactions

Owing to the nature of the academy trust 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 directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

Expenditure related party transactions

During the period C Fernandes, Trustee, undertook first aid training to the Trust through her company Dr ABC, amounting to £1,205 (2017: £Nil).

25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £25k (2017: £30k) and disbursed £22k (2017: £7k) from the fund. An amount of £25k (2017: £22k) is included in other creditors relating to undistributed funds that is repayable to ESFA in the event the student leaves the school.