

Registered number: 08309965

TEMPLE GROVE ACADEMY TRUST
(A company limited by guarantee)

Trustees' Report and Financial Statements

For the year ended 31 August 2015

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TEMPLE GROVE ACADEMY TRUST
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Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers
For the year ended 31 August 2015

Members	Nigel Prescott ² Dame Sylvia Morris (DBE) Mark Tristram Norwood Dugdale, Chair ² Temple Grove Schools Trust, Corporate member
Trustees	Nicola Denoon Duncan ¹ Kathie Child Villiers ^{1,2} Christine Homer (resigned 31 August 2014)
	¹ member of the LGB Finance and REsources committee ² member of the Audit Committee
Company registered number	08309965
Principal and registered office	12 Conqueror Court Sittingbourne Kent ME10 5BH
Company secretary	Joanne Nertney
Senior management team	Samantha Linton, Headteacher Rene Chetty-Marston, Deputy Head Julie Simpson, Deputy Head Paul Hale, Interim Deputy Head Damith Bandare, Assistant Head Donna Weeks, Assistant Head Phil Holland, Business Manager
Independent auditors	Williams Giles Limited Chartered Accountants Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Natwest 49 High Street Uckfield East Sussex TN22 1GW
Solicitors	Eversheds 1 Wood Street London EC2V 7WS

TEMPLE GROVE ACADEMY TRUST
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Revised Trustees' Report
For the year ended 31 August 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4-11 serving a catchment area in Tunbridge Wells. It has a pupil capacity of 420 and had a roll of 222 in the school census on 21 May 2015.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Temple Grove Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Temple Grove Academy Trust Limited.

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

Appointment of Directors/Trustees:

The Members may appoint up to 13 Trustees.

The Members may appoint Staff Trustees up to one third of the total number of Trustees.

The Chairman of each Local Governing Body shall be an Academy Trust Trustee for as long as s/he remains in office.

If the number of Academies exceeds 5, the Chairmen of the Local Governing Bodies shall elect 5 persons from amongst their numbers to be the Academy Trustees.

There shall be a minimum of 2 Parent Trustees.

The Chief Executive Officer, if any, shall be a Trustee for as long as s/he remains in office as such.

The Trustees may appoint up to 3 Co opted Trustees.

d. Policies and procedures adopted for the induction and training of Trustees

When trustees join, an established induction policy is adhered to and depending on their existing experience training will be provided on charity, educational, legal and financial matters. Members of the Local Governing Body (LGB) have access to local authority, GEL (online) and NGA training programmes.

e. Organisational structure

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Revised Trustees' Report (continued)
For the year ended 31 August 2015

The board of trustees is responsible for setting general policy and direction, adopting an annual plan and budget, and monitoring the performance of the academy/ies by use of visits, written and verbal reports. An academy has its own Local Governing Body with the Chair being a trustee. The LGB has responsibility for setting policy, within the constraints of the trust's policies, managing community liaison, and recommending annual plans and academy budgets to the trustees. The trustees delegate day to day running of the trust to the senior executive and the trust manager. The day to day running of the academy is delegated by the LGB to the headteacher.

f. Connected organisations, including related party relationships

Temple Grove Schools Trust (a registered charity) received approval from the Department for Education (DfE) to support Temple Grove Academy Trust to run an academy or a group of academies.

Temple Grove Schools Trust is responsible for:

- setting up the Academy Trust
- electing a representative to the Academy Trust board
- setting the ethos and providing expertise and support
- reviewing the Academy Trust's expenditure
- Providing enrichment funds to the Academy Trust

Temple Grove Academy Trust received £30,000 from Temple Grove Schools Trust in the 2014/2015 academic year. This money was gifted to Temple Grove Academy Trust to support Temple Grove Academy's enrichment programme. Temple Grove Academy requests funds from this and provides TGST with a breakdown of how the funds are spent and the impact the extra-curricular activities are having on pupils at the academy.

g. Trustees' indemnities

The Trustees' liability is £5m limit of indemnity per claim/in the aggregate for all claims in the period.

Objectives and Activities

a. Objects and aims

The aim of the trust is to operate a group of five primary academies for the benefit of children aged 4-11. The academies to be geographically close to give the opportunity to build a cohesive objective for all, and to provide mutual support, combine resources and share best practice, thus giving an accelerated raising of standards. An embedded enrichment programme to be offered in order to improve extra curriculum experience, knowledge and learning.

b. Objectives, strategies and activities

The principal objective for this year has been to accelerate pupil progress in all year groups at TGA in order that the trust, LGB and SLT can demonstrate their commitment to raising standards of education and seek an opportunity to take on further academies to meet the objective outlined above.

The introduction of a new pupil data system 'Pupil Asset' ensures reliable and easily accessible data and analysis which is understood by staff, governors and trustees.

The effective and targeted use of Pupil Premium funding is overseen by a governor led working group of governors and staff.

The full staff restructure (initiated in 2014) and subsequent recruitment programme (including SLT) has continued into this year, resulting in all teaching at TGA being good or better.

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Revised Trustees' Report (continued)
For the year ended 31 August 2015

c. Public benefit

The trustees in making their decisions have had due regard to the Charity Commission's Public Benefit guidance and in particular when exercising any powers or duties where this guidance is relevant. Temple Grove Academy serves the Sherwood Ward in Tunbridge Wells which scores 0.05 on the latest IDACI (Income Deprivation Affecting Children Index). The academy admissions' policy is that adopted by KCC (including the appeals process). The academy's results reflect the impact the strategy and activities (and in particular the enrichment provision) are having on the pupils, and thus improving life chances as they move through their primary and onto secondary education.

Achievements and performance

Introduction:

As Temple Grove Academy is the academy trust's only school to date, the focus has been on improving teaching and pupil performance, throughout the academy. Following the comprehensive staffing restructure programme which concluded on 31 July 2014 the academy began the year with a substantial cohort of new teachers and LSAs. The expectation of the SLT, governors and the trust, continues to be that all teaching delivered should be at least good, and that pupils should receive the education and enrichment they deserve. In January the DfE visited, and in February the academy had an Ofsted inspection, the first since conversion, (the predecessor school was in special measures), and was judged to require improvement. The feedback following a subsequent visit by HMI in May was very positive, with no further visits are planned, as she commented 'the foundations have been laid'. The reliability of data was improved with the introduction of a new data management system and whole school moderation. Given the above average number of disadvantaged children at the academy, their learning has been further supported by targeted use of pupil premium funding for a number of projects including 1:1 interventions and the use of specialist teachers.

- With a focus on accelerated pupil progress through all year groups, the end of year data (Raise Online P42) for KS1 to KS2, shows value added in 15/18 categories for Reading, with significantly higher values than the national average for 6 of these. Value added for Writing in 16/18 categories.
- The academy has demonstrated progress for those pupils considered to be low achievers and for pupils with SEN.
- Recognising the issues surrounding mathematics in KS2 and building on the success of the Maths Mastery programme in KS1, Maths No Problem (Singapore Maths) is introduced into KS2.
- KCC evaluation states 'improved results at end of KS1 show generally disadvantaged pupils in line with their peers and sometimes better' EYFS results continue to be above national average.
- With the introduction of Pupil Asset (data management) all staff are fully trained in its use and data available 'real' time'. The data is understood by governors and trustees and assists them in their role. HMI commented that data is embedded and staff using it confidently.
- A governor led Pupil Premium Working Group was established to scrutinise the use of the pupil premium budget. End of year data shows that PP children in Y4 (reading), Y3 (writing), Ys 3, 4, 5 (maths) did better than their peers, and did as well as their peers in Ys 1, 5, 6 (reading), Y1 (maths)
- Interventions considered on a pupil by pupil basis and recommendations made on progress. Provision mapping for all year groups shared with the working group. Case studies carried out to support this.
- New contracts for teachers joining the academy means that management are better able to manage staffing levels and recruitment.

Key Financial Performance Indicators

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Revised Trustees' Report (continued)
For the year ended 31 August 2015

The Trustees consider the following to be Key Financial Performance Indicators for the Academy Trust:

1. Percentage of income received from the EFA spent on teaching staff.
2. Percentage of income received from the EFA spent on total staff costs.
3. Pupil numbers (leading directly to EFA funding levels); and
4. General financial stability – aim for income to match expenditure each year.

a. Going concern

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

b. Reserves Policy

In order to ensure the Trust and Academy can continue as going concerns the Trust aims to hold three weeks' operating costs in reserve. This is calculated to be approx. £100,000 and is intended to cover fluctuations inc. EFA/DfE clawbacks etc.

c. Investment policy

The Trust does not hold any large cash reserves. It banks with Natwest and has set up 'sweep accounts' to ensure maximum interest can be earned on any overnight cash reserves.

Financial review

a. Principal risks and uncertainties

The following risks have been identified. Steps have been taken to mitigate these risks within the capabilities of directors, governors, senior leaders and staff:

Performance Risk/Reputational Risk:

- TGA's results are below the floor target and pupils fail to achieve the accelerated progress required, resulting in falling pupil numbers
- TGA performance deters other schools from joining TGAT (MAT)
- Difficulties in recruiting good teaching staff given location could result in increased costs

Financial Risk

- Falling pupil numbers would mean TGA budget forecast would be compromised and the academy would risk an in-year deficit
- A likely increase in the LGPS (Local Government Pension Scheme) contributions in the 15/16 academic year would also compromise the budget, however, this rise has been taken into account in the academy's 3 year forecast

Plans for future periods

a. Future developments

The Academy Trust will continue to support and encourage TGA to attain Ofsted "Good" status by the end of 2016 by enabling governors and SLT to continue to create the environment and focus required to further raise academic results. The Trust continues its discussions with the Regional Schools Commissioner, Dominic Herrington, in order to sponsor at least one converter academy in 2016, with a commitment to sponsor up to five primary academies in the coming 4 years.

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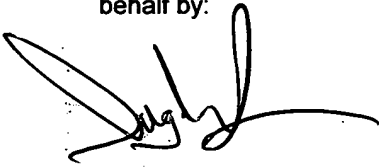
Revised Trustees' Report (continued)
For the year ended 31 August 2015

Disclosure of information to auditors

In so far as the trustees are aware:

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

This report was approved by order of the board of trustees on 15 December 2015 and signed on the board's behalf by:



Mark Tristam Norwood Dugdale
Chair of Trustees



Nigel Prescott
Trustee

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Revised Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the senior executive, 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 Temple Grove Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Nigel Prescott	3	3
Dame Sylvia Morris (DBE)	2	3
Mark Tristram Norwood Dugdale, Chair	3	3
Nicola Denoon Duncan	3	3
Christine Homer	2	3

Nigel Prescott stepped down as chairman of the trustees, and Mark Dugdale appointed chairman on 12 November 2014.

Governance reviews:

A decision taken by the trustees to ensure the LGB (with delegated functions) at TGA was made up from local (to Tunbridge Wells) individuals, meant that a comprehensive recruitment programme was undertaken with particular skills sets a requirement for new governors. This resulted in professionals from the education, Early Years, marketing, financial and accountancy sectors becoming governors over the past year. A formal review of governance is scheduled for term 2, 2015. The chair of the LGB has also completed the National College Chairs of Governors Leadership Development Programme.

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Revised Governance Statement (continued)

The Finance & Resources Committee is a sub-committee of TGA's local governing body. Its delegated purpose is to monitor the finance operation of the academy to ensure it is solvent. The committee checks that proper internal controls and procedures with regard to the use of public money are in place to prevent any financial irregularities.

During the year there was a change in the individuals making up the committee as 'local' governors were recruited. The new chair Stephen Davies has experience chairing schools' finance committees and Humayun Kabir who is a qualified accountant has also joined the committee.

Attendance at meetings in the year was as follows:

Finance & Resources Committee	Meetings attended	Out of a possible
Kathie Child Villiers	1	1
Alanna Lee	1	1
Nicola Denoon Duncan	3	3
Simon Kennedy	1	1
Fiona Hayes	3	3
Robert Rice	2	2
Stephen Davies	2	3
Humayun Kabir	3	3

The TGAT audit committee is a sub-committee of the main board of trustees. Its purpose is to ensure the solvency of the trust, monitor the trust's internal controls and procedures and to check that the trust complies with the Academies Financial Handbook, HM Treasury's guidance on the use of public money and takes immediate corrective action should any irregularities take place.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Nigel Prescott	1	1
Mark Tristan Norwood Dugdale	1	1
Kathie Child Villiers	1	1

Review of Value for Money

As accounting officer, the senior executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- The Trust's decision to undergo a comprehensive staffing restructure and recruitment programme at TGA has been successful. The introduction of a qualified Learning Support Assistant into the classroom to support teachers delivering, at least good, teaching has meant accelerated pupil progress across the academy. Middle leaders were identified and supported with appropriate training and mentoring. Performance related pay has been introduced and new contracts for new teachers joining the academy. Staff costs as a percentage of total expenditure have been substantially reduced. The academy is now focusing on delivering outstanding teaching.
- The academy received over £180,000 in Pupil Premium to support the learning of 112 pupils. 23% of pupils that are entitled to pupil premium funding are also on the SEN register. Allocation of funds is determined at pupil progress meetings (every 6 weeks), and take into account Sutton Trust findings and are considered by the governor led working group. Initiatives introduced include: 1:1 tutoring, Maths Mastery, ICT, targeted intervention groups, Beanstalk (reading support), Third Space tuition, IPC, a pupil premium teacher to support Reception pupils. School data shows the gap being narrowed (if not eliminated) across the year groups and national data proves that in points progress valued added for

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Revised Governance Statement (continued)

reading and writing disadvantaged pupils at TGA have performed as well as if not better when compared to the whole school and national performance. The academy will continue to focus on the progress of disadvantaged children and different ways in which their learning might be supported.

- The Trust, continued to manage substantial ACMF funds (£210,000) for improvements to the fabric and environment at TGA, together with the retention payments from the ACMF granted in 13/14 (£750,000). Although complicated by the fact that unlike maintained schools, academies have to manage the timing of, in this case, not insubstantial VAT repayments, the Trust ensured that commissioning and payments were scheduled to account for not only the ACMF timetable for the receipt of funds, but also the length of time it takes for VAT repayments to be processed. The academy roofs, electrics (including lighting etc), play areas, sports pitches, security have all been improved as a result of this funding, and work delivered on time and within budget.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Temple Grove Academy Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Williams Giles as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

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

On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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Revised Governance Statement (continued)

The internal auditor has completed all audit reviews as assigned, including an interim review in March, a pensions review in May and a full review in July.

The resulting report and executive summary showed:

1. No serious shortcomings were found in the systems and controls.
2. VAT 126 refund forms have been submitted on a consistent monthly basis without exception.
3. All contracts with suppliers were authorised in accordance with the Financial Policy and copies of 3 quotations were consistently held.
4. All high value payments have been authorised in accordance with the Financial Policy.
5. Accruals and prepayments accounting is performed on an annual basis.
6. No budget virements had been performed in 2014/2015.

Recommendations:

1. During the fixed asset annual review a sample of three items from the list should be chosen and located.
2. The financial policy should include the arrangement for disposal of assets.
3. The disposal of assets should be authorised by the Head Teacher, providing assurance that the disposal is justified and that the reason of disposal is valid.

Remedy: All three recommendations have now been added to the financial policy and/or added to the annual review processes.

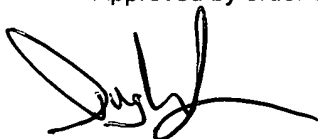
Review of Effectiveness

As accounting officer, the senior executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

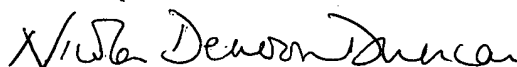
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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 resources committee and Williams Giles (external auditors) and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15 December 2015 and signed on its behalf, by:



Mark Tristam Norwood Dugdale
Chair



Nicola Denoon Duncan
Accounting Officer

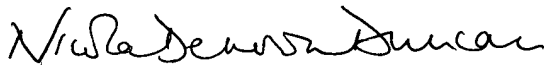
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Statement on Regularity, Propriety and Compliance

As accounting officer of Temple Grove Academy Trust I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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 EFA.



Nicola Denoon Duncan
Accounting Officer

Date: 15 December 2015

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Trustees' Responsibilities Statement
For the year ended 31 August 2015

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

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

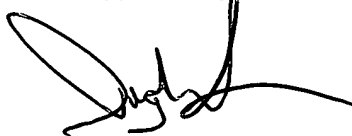
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the board of trustees on 15 December 2015 and signed on its behalf by:



Mark Tristam Norwood Dugdale
Chair

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Independent Auditors' Report to the Members of Temple Grove Academy Trust

We have audited the financial statements of Temple Grove Academy Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

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Independent Auditors' Report to the Members of Temple Grove Academy Trust

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Alyson Howard FCCA CF (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date: 18 December 2015

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**Independent Reporting Accountants' Assurance Report on Regularity to Temple Grove Academy Trust
and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 19/04/2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Temple Grove Academy Trust during the year 1 September 2014 to 31 August 2015 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 Temple Grove Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Temple Grove Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Temple Grove Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Temple Grove Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Temple Grove Academy Trust's funding agreement with the Secretary of State for Education dated 01/01/2013, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

TEMPLE GROVE ACADEMY TRUST
(A company limited by guarantee)

**Independent Reporting Accountants' Assurance Report on Regularity to Temple Grove Academy Trust
and the Education Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alyson Howard FCCA CF (Senior statutory auditor)

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 18 December 2015

TEMPLE GROVE ACADEMY TRUST
(A company limited by guarantee)

Statement of Financial Activities
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
For the year ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	18,250	947	25,000	44,197	181,920
Activities for generating funds	3	13,606	195,841	-	209,447	77,458
Investment income	4	1,890	-	-	1,890	1,371
Incoming resources from charitable activities	5	-	1,470,561	16,817	1,487,378	2,308,568
Total incoming resources		33,746	1,667,349	41,817	1,742,912	2,569,317
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	6	10,100	10,963	-	21,063	11,177
Charitable activities		1,128	1,495,462	114,014	1,610,604	1,995,628
Governance costs	8	-	38,943	-	38,943	69,137
Total resources expended	11	11,228	1,545,368	114,014	1,670,610	2,075,942
Net incoming resources before transfers		22,518	121,981	(72,197)	72,302	493,375
Transfers between Funds	23	-	8,960	(8,960)	-	-
Net income for the year		22,518	130,941	(81,157)	72,302	493,375
Actuarial gains and losses on defined benefit pension schemes		-	(19,000)	-	(19,000)	66,000
Net movement in funds for the year		22,518	111,941	(81,157)	53,302	559,375
Total funds at 1 September 2014		73,872	(330,133)	4,663,948	4,407,687	3,848,312
Total funds at 31 August 2015		96,390	(218,192)	4,582,791	4,460,989	4,407,687

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 38 form part of these financial statements.

TEMPLE GROVE ACADEMY TRUST


(A company limited by guarantee)

Registered number: 08309965

**Balance Sheet
As at 31 August 2015**

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	19	4,537,237	4,569,343
Current assets			
Stocks	20	2,465	-
Debtors	21	151,873	138,937
Cash at bank		360,157	297,276
		<u>514,495</u>	<u>436,213</u>
Creditors: amounts falling due within one year	22	<u>(87,743)</u>	<u>(135,869)</u>
Net current assets		<u>426,752</u>	<u>300,344</u>
Total assets less current liabilities		<u>4,963,989</u>	<u>4,869,687</u>
Defined benefit pension scheme liability	28	<u>(503,000)</u>	<u>(462,000)</u>
Net assets including pension scheme liability		<u><u>4,460,989</u></u>	<u><u>4,407,687</u></u>
Funds of the academy			
Restricted funds:			
Restricted funds	23	284,808	131,867
Restricted fixed asset funds	23	4,582,791	4,663,948
Restricted funds excluding pension liability		<u>4,867,599</u>	<u>4,795,815</u>
Pension reserve		<u>(503,000)</u>	<u>(462,000)</u>
Total restricted funds		<u>4,364,599</u>	<u>4,333,815</u>
Unrestricted funds	23	<u>96,390</u>	<u>73,872</u>
Total funds		<u><u>4,460,989</u></u>	<u><u>4,407,687</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 15 December 2015 and are signed on their behalf, by:



Mark Dugdale
Chairman of Trustees



Nicola Denoon Duncan
Accounting Officer

The notes on pages 20 to 38 form part of these financial statements.

TEMPLE GROVE ACADEMY TRUST
(A company limited by guarantee)

Cash Flow Statement
For the year ended 31 August 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	25	136,675	(318,781)
Returns on investments and servicing of finance	26	828	1,371
Capital expenditure and financial investment	26	(74,622)	106,703
Increase/(Decrease) in cash in the year		62,881	(210,707)

Reconciliation of Net Cash Flow to Movement in Net Funds
For the year ended 31 August 2015

	2015 £	2014 £
Increase/(Decrease) in cash in the year	62,881	(210,707)
Movement in net funds in the year	62,881	(210,707)
Net funds at 1 September 2014	297,276	507,983
Net funds at 31 August 2015	360,157	297,276

The notes on pages 20 to 38 form part of these financial statements.

TEMPLE GROVE ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable 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 funders where the asset acquired or created is held for a specific purpose.

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

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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

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

TEMPLE GROVE ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies (continued)

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Resources expended

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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 are 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's depreciation policy.

In the absence of a desk top valuation from the EFA the valuation for leasehold property is taken from the insurance valuation. As this valuation was calculated on the basis of rebuild cost, only 75% of the insurance valuation has been included to determine the valuation of buildings at conversion. No value for land had been included.

TEMPLE GROVE ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% Straight Line
Motor vehicles	-	10% Straight Line
Fixtures and fittings	-	10% Straight Line
Computer equipment	-	20% Straight Line

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Taxation

The academy 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 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.

1.10 Pensions

Retirement benefits to employees of the academy 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.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

TEMPLE GROVE ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies (continued)

1.11 Donated services and gifts in kind

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

2. Voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	18,250	25,947	44,197	181,920

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Facility income	6,076	-	6,076	17,224
School trips and clubs	-	26,780	26,780	6,608
Uniform	7,530	-	7,530	5,135
Other income	-	169,061	169,061	48,491
	13,606	195,841	209,447	77,458

4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Interest received	1,890	-	1,890	1,371

TEMPLE GROVE ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

5. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,217,065	1,217,065	1,326,810
Other DfE/EFA grants	-	189,660	189,660	159,793
Other government grants	-	63,836	63,836	178,742
Devolved formula capital	-	10,720	10,720	7,308
Start-up grants	-	-	-	6,712
Other capital grants	-	6,097	6,097	629,203
	<u>-</u>	<u>1,487,378</u>	<u>1,487,378</u>	<u>2,308,568</u>

6. Costs of generating voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Uniform	5,775	-	5,775	5,746
School trips	-	10,963	10,963	-
Other expenses	4,325	-	4,325	5,431
	<u>10,100</u>	<u>10,963</u>	<u>21,063</u>	<u>11,177</u>

7. Grants to institutions

	Unrestricted funds 2015 £	Restricted funds 2015 £	Endowment funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational operations	-	251	-	251	-

8. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors fees	-	10,270	10,270	11,574
Legal & professional	-	28,596	28,596	55,382
Governors expenses	-	77	77	2,181
	<u>-</u>	<u>38,943</u>	<u>38,943</u>	<u>69,137</u>

TEMPLE GROVE ACADEMY TRUST
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Notes to the Financial Statements
For the year ended 31 August 2015

9. Direct costs

	Educational operations £	Total 2015 £	Total 2014 £
Educational supplies	70,752	70,752	79,474
Staff development	23,029	23,029	47,422
Educational consultancy	37,584	37,584	13,337
Other direct costs	26,866	26,866	29,425
Legal & professional	42,436	42,436	65,469
Supply costs	41,433	41,433	37,141
Loss on disposal of assets	1,396	1,396	-
Wages and salaries	690,058	690,058	819,383
National insurance	52,145	52,145	56,622
Pension cost	125,473	125,473	131,278
Depreciation	112,618	112,618	102,773
	<u>1,223,790</u>	<u>1,223,790</u>	<u>1,382,324</u>

10. Support costs

	Educational operations £	Total 2015 £	Total 2014 £
LGPS costs	8,000	8,000	20,000
Recruitment and support	2,118	2,118	9,134
Maintenance of premises and equipment	47,673	47,673	54,359
Cleaning	29,703	29,703	30,720
Rent & rates	10,134	10,134	20,103
Light & heat	24,134	24,134	29,365
Insurance	30,755	30,755	5,946
Security & transport	3,669	3,669	2,109
Catering	48,235	48,235	40,427
Computer costs	38,458	38,458	54,477
Printing, postage and stationery	3,636	3,636	454
Other support costs	4,730	4,730	1,307
Staff restructuring costs	-	-	22,500
Wages and salaries	116,097	116,097	274,867
National insurance	5,100	5,100	17,855
Pension cost	14,121	14,121	29,681
	<u>386,563</u>	<u>386,563</u>	<u>613,304</u>

TEMPLE GROVE ACADEMY TRUST
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Notes to the Financial Statements
For the year ended 31 August 2015

11. Resources expended

	Staff costs	Non Pay Expenditure	Depreciation	Other costs	Total	Total
	2015	2015	2015	2015	2015	2014
	£	£	£	£	£	£
Costs of generating voluntary income	-	-	21,063	21,063	21,063	11,177
Costs of generating funds	-	-	21,063	21,063	21,063	11,177
Direct cost	923,659	112,618	187,764	1,224,041	1,382,324	
Support costs	135,318	-	251,245	386,563	613,304	
Charitable activities	1,058,977	112,618	439,009	1,610,604	1,995,628	
Governance	-	-	38,943	38,943	69,137	
	1,058,977	112,618	499,015	1,670,610	2,075,942	

12. Net incoming resources

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	112,618	102,773
Operating lease rentals:		
- plant and machinery	8,499	-

13. Auditors' remuneration

	2015	2014
	£	£
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	6,600	6,650
Fees payable to the academy's auditor and its associates in respect of:		
Internal audit services	1,920	1,300
All other non-audit services not included above	1,250	4,119
	2015	2014
	£	£
Fees payable to the academy's auditor and its associates in connection with the academy's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	500	500

TEMPLE GROVE ACADEMY TRUST
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Notes to the Financial Statements
For the year ended 31 August 2015

14. Staff

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	806,155	1,123,931
Social security costs	57,245	74,477
Other pension costs (Note 28)	139,594	131,278
	<u>1,002,994</u>	<u>1,329,686</u>
Supply teacher costs	41,433	37,141
Compensation payments	14,550	22,500
	<u><u>1,058,977</u></u>	<u><u>1,389,327</u></u>

b. Staff severance payments

Included in staff restructuring costs is a non-contractual severance payment totalling £14,550 (2014: £22,550).

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teaching staff	13	14
Support staff	18	27
Management	2	4
	<u>33</u>	<u>45</u>

d. Higher paid staff

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

	2015 No.	2014 No.
In the band £70,001 - £80,000	1	0
In the band £100,001 - £110,000	0	1

The above employee participated in the Local Government Pension Scheme; employer's pension contributions amounted to £13,750.

TEMPLE GROVE ACADEMY TRUST
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Notes to the Financial Statements
For the year ended 31 August 2015

15. Central services

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

- Central administration services
- Audit

The academy charges for these services on the following basis:

5% of GAG funding

The actual amounts charged during the year were as follows:

	2015 £
Temple Grove Academy	60,086
	<hr/>

16. Trustees' remuneration and expenses

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

	2015 £	2014 £
Christine Homer - Remuneration	5,000-10,000	105,000-110,000
Christine Homer - Er's Pension	0-5,000	10,000-15,000

During the year ended 31 August 2015, expenses totalling £129 (2014 - £NIL) were reimbursed to 1 Trustee (2014 - 0).

17. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

18. Other finance income

	2015 £	2014 £
Expected return on pension scheme assets	31,000	17,000
Interest on pension scheme liabilities	(39,000)	(37,000)
	<hr/>	<hr/>
	(8,000)	(20,000)
	<hr/>	<hr/>

TEMPLE GROVE ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

19. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost						
At 1 September 2014	4,377,500	10,000	56,918	42,653	241,819	4,728,890
Additions	60,610	-	4,633	16,665	-	81,908
Transfer	-	-	-	(3,489)	-	(3,489)
Transfer between classes	241,819	-	-	-	(241,819)	-
At 31 August 2015	4,679,929	10,000	61,551	55,829	-	4,807,309
Depreciation						
At 1 September 2014	138,800	1,000	16,027	3,720	-	159,547
Charge for the year	93,599	1,000	6,156	11,863	-	112,618
On disposals	-	-	-	(2,093)	-	(2,093)
At 31 August 2015	232,399	2,000	22,183	13,490	-	270,072
Net book value						
At 31 August 2015	4,447,530	8,000	39,368	42,339	-	4,537,237
At 31 August 2014	4,238,700	9,000	40,891	38,933	241,819	4,569,343

20. Stocks

	2015 £	2014 £
Uniform Stock	2,465	-

21. Debtors

	2015 £	2014 £
Trade debtors	350	-
Other debtors	115,559	91,823
Prepayments and accrued income	35,964	47,114
	151,873	138,937

TEMPLE GROVE ACADEMY TRUST
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Notes to the Financial Statements
For the year ended 31 August 2015

22. Creditors:
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	29,831	62,668
Other creditors	35,187	40,654
Accruals and deferred income	22,725	32,547
	<u>87,743</u>	<u>135,869</u>
		£
Deferred income		
Deferred income at 1 September 2014		24,626
Resources deferred during the year		11,097
Amounts released from previous years		<u>(24,626)</u>
Deferred income at 31 August 2015		<u>11,097</u>

23. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	73,872	33,746	(11,228)	-	-	96,390
Restricted funds						
General Annual Grant (TGAT)	131,867	1,226,215	(1,082,234)	8,960	-	284,808
Pupil premium	-	180,510	(180,510)	-	-	-
Other Government Grants	-	63,836	(63,836)	-	-	-
Generated funds	-	166,788	(166,788)	-	-	-
Enrichment grant	-	30,000	(30,000)	-	-	-
Pension reserve	(462,000)	-	(22,000)	-	(19,000)	(503,000)
	<u>(330,133)</u>	<u>1,667,349</u>	<u>(1,545,368)</u>	<u>8,960</u>	<u>(19,000)</u>	<u>(218,192)</u>

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23. Statement of funds (continued)

Restricted fixed asset funds

Assets held for depreciation	4,569,343	-	(114,014)	81,908	-	4,537,237
Devolved Capital Grant	12,788	10,720	-	(4,130)	-	19,378
Other capital funding	81,817	31,097	-	(86,738)	-	26,176
	<u>4,663,948</u>	<u>41,817</u>	<u>(114,014)</u>	<u>(8,960)</u>	<u>-</u>	<u>4,582,791</u>
Total restricted funds	<u>4,333,815</u>	<u>1,709,166</u>	<u>(1,659,382)</u>	<u>-</u>	<u>(19,000)</u>	<u>4,364,599</u>
Total of funds	<u>4,407,687</u>	<u>1,742,912</u>	<u>(1,670,610)</u>	<u>-</u>	<u>(19,000)</u>	<u>4,460,989</u>

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

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 2015.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Temple Grove Academy	186,924
Temple Grove Academy Trust	194,274
Total before fixed asset fund and pension reserve	<u>381,198</u>
Restricted fixed asset fund	4,582,791
Pension reserve	(503,000)
Total	<u><u>4,460,989</u></u>

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23. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support costs £	Other staff support costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Temple Grove Academy	907,676	81,318	70,752	414,390	1,474,136
Temple Grove Academy Trust	(40,000)	54,000	-	68,460	82,460
	<u>867,676</u>	<u>135,318</u>	<u>70,752</u>	<u>482,850</u>	<u>1,556,596</u>

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds	73,872	33,746	(11,228)	-	-	96,390
Restricted funds	(330,133)	1,667,349	(1,545,368)	8,960	(19,000)	(218,192)
Restricted fixed asset funds	4,663,948	41,817	(114,014)	(8,960)	-	4,582,791
	<u>4,407,687</u>	<u>1,742,912</u>	<u>(1,670,610)</u>	<u>-</u>	<u>(19,000)</u>	<u>4,460,989</u>

24. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	4,537,237	4,537,237	4,569,343
Current assets	98,090	370,851	45,554	514,495	436,213
Creditors due within one year	(1,700)	(86,043)	-	(87,743)	(135,869)
Provisions for liabilities and charges	-	(503,000)	-	(503,000)	(462,000)
	<u>96,390</u>	<u>(218,192)</u>	<u>4,582,791</u>	<u>4,460,989</u>	<u>4,407,687</u>

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25. Net cash flow from operations

	2015 £	2014 £
Net incoming resources before revaluations	72,302	493,375
Returns on investments and servicing of finance	(828)	(1,371)
Depreciation of tangible fixed assets	112,618	-
Deficit on disposal of tangible fixed assets	1,396	-
Capital grants from DfE	(7,286)	(636,511)
Increase in stocks	(2,465)	-
(Increase)/decrease in debtors	(11,236)	7,369
Decrease in creditors	(49,826)	(210,643)
FRS 17 adjustments	22,000	29,000
Net cash inflow/(outflow) from operations	136,675	(318,781)

26. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	828	1,371
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(81,908)	(529,808)
Capital grants from DfE	7,286	636,511
Net cash (outflow)/inflow capital expenditure	(74,622)	106,703

27. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	31 August 2015 £
Cash at bank and in hand:	297,276	62,881	360,157
Net funds	297,276	62,881	360,157

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28. Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £68,000 (2014: £72,000).

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

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28. Pension commitments (continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £67,000, of which employer's contributions totalled £54,000 and employees' contributions totalled £13,000. The agreed contribution rates for future years are 23.1% for employers and var% for employees.

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

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.00	378,000	6.70	344,000
Other bonds	6.00	61,000	3.60	59,000
Property	6.00	75,000	5.90	51,000
Cash	6.00	14,000	2.90	21,000
Target return portfolio	6.00	24,000	5.90	22,000
Gilts	6.00	6,000	3.00	6,000
Total market value of assets		558,000		503,000
Present value of scheme liabilities		(1,061,000)		(965,000)
Deficit in the scheme		(503,000)		(462,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,061,000)	(965,000)
Fair value of scheme assets	558,000	503,000
Net liability	(503,000)	(462,000)

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28. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Current service cost	(68,000)	(72,000)
Interest on obligation	(39,000)	(37,000)
Expected return on scheme assets	31,000	17,000
	<u>(76,000)</u>	<u>(92,000)</u>
Total	<u>(76,000)</u>	<u>(92,000)</u>
Actual return on scheme assets	<u>12,000</u>	<u>30,000</u>

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

	2015 £	2014 £
Opening defined benefit obligation	965,000	744,000
Current service cost	68,000	72,000
Interest cost	39,000	37,000
Contributions by scheme participants	13,000	16,000
Actuarial Losses	-	96,000
Benefits paid	(24,000)	-
Defined benefit obligation on conversion	-	-
	<u>1,061,000</u>	<u>965,000</u>
Closing defined benefit obligation	<u>1,061,000</u>	<u>965,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	503,000	245,000
Expected return on assets	31,000	17,000
Actuarial gains and (losses)	(19,000)	162,000
Contributions by employer	54,000	63,000
Contributions by employees	13,000	16,000
Benefits paid	(24,000)	-
	<u>558,000</u>	<u>503,000</u>
	<u>558,000</u>	<u>503,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £-29,000 (2014 - £-10,000).

The academy expects to contribute £47,000 to its Defined benefit pension scheme in 2016.

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28. Pension commitments (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	68.00 %	69.00 %
Gilts	1.00 %	1.00 %
Other bonds	11.00 %	12.00 %
Property	13.00 %	10.00 %
Cash	3.00 %	4.00 %
Target return portfolio	4.00 %	4.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Expected return on scheme assets at 31 August	6.00 %	6.00 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %
RPI increases	3.60 %	3.50 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015	2014
	£	£
Defined benefit obligation	(1,061,000)	(965,000)
Scheme assets	558,000	503,000
Deficit	(503,000)	(462,000)
Experience adjustments on scheme liabilities	-	(96,000)
Experience adjustments on scheme assets	(19,000)	162,000

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29. Operating lease commitments

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	-	10,477
Between 2-5 years	1,560	-
	<u>1,560</u>	<u>-</u>

30. Related party transactions

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

During the period the following related party transactions took place:

The Trust received £70,431 (2014: £155,180) from and paid £13,120 (2014: Nil) to Temple Grove Schools Trust a Charity to which N Prescott, Dame Sylvia Morris and Mark Dugdale are all members of The Board of Trustees.

Morris & Associates a company in which Dame Sylvia Morris holds a controlling interest was paid £1,000 in the year to 31st August 2015 (2014: £11,025) for Educational Improvement Works provided to the Trust

All transactions complied with the conditions of the Academies financial handbook and No amounts were outstanding at the year end.