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**TEMPLE GROVE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Mark Dugdale Nigel Prescott Alanna Lee Mark Welby Dame Sylvia Morris (resigned 20 May 2019)
<b>Designated Members</b>	Mark Dugdale, Chairman* Kathie Child Villers* Nigel Prescott* Nicola Denoon Duncan Philip Lough Paul Burton (appointed 19 November 2019) Fiona Carr (appointed 7 May 2019) Karen Nicholson (appointed 28 January 2019)

\*Member of TGAT Audit Committee

<b>Company registered number</b>	08309965
<b>Company name</b>	Temple Grove Academy Trust
<b>Principal and registered office</b>	Friars Way Tunbridge Wells Kent TN2 3UA
<b>Company secretary</b>	Charlotte Jayaraj
<b>Senior management team</b>	Karen Willis, CEO and Accounting Officer Charlotte Jayaraj, Chief Financial Officer Isabel Ramsay, Headteacher Emily Crow, Deputy Headteacher Matt Bailey, Deputy Headteacher Lisa Sprigmore, SENCO Phil Holland, Academy Business Manager Mark Dugdale, Data Protection Trustee
<b>Independent auditors</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 71 New Dover Road Canterbury Kent CT1 3DZ

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Bankers**

NatWest  
49 High Street  
Uckfield  
East Sussex  
TN22 1GW

Lloyds Bank  
121 High Street  
Tonbridge  
TN9 1DB

**Solicitors**

Stone King LLP  
13 Queen Square  
Bath  
BA1 2HJ

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**TEMPLE GROVE ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 3 to 11 serving a catchment area in Tunbridge Wells. It has a pupil capacity of 390 and had a roll of 213 (236 including nursery) in the school census on 16<sup>th</sup> May 2019.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **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 Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as Temple Grove Academy Trust Ltd and TGAT.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on pages 1 and 2.

### **Members' Liability**

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

### **Trustees' Indemnities**

Through the Risk Protection Arrangement (RPA) the trustees are indemnified against any liability which by virtue of any rule of law, would otherwise attach to the Academy Trust's trustees in respect of any negligence, default or breach of trust, or breach of duty of which they may be guilty in relation to the Academy Trust.

### **Method of Recruitment and Appointment or Election of Trustees**

The members may appoint up to 13 Trustees and may appoint staff Trustees up to one third of the total number of trustees. The Chairman of each Local Governing Body shall be a trustee of Temple Grove Academy Trust for as long as they remain in office.

There shall be a minimum of 2 parent Trustees, or at least two parent governors on each established Local Governing Body. The trustees may appoint up to 3 co-opted Trustees.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

When new 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) and Trustees have access to local authority KELS website, and NGA training programmes. They also have access to The Key.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Organisational Structure**

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 by monthly meetings, written and verbal reports, and annual audits of the accounts. The academy has its own Local Governing Body with the Chair being a trustee. The LGB has delegated responsibility within the agreed Scheme of Delegation, 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 CEO. The day to day running of the TGA academy is delegated by the LGB to the Consultant Headteacher.

**Arrangements for setting pay and remuneration of key management personnel**

The Finance Committee is responsible for recommending appropriate remuneration packages for all key management personnel. The Chair of TGAT has responsibility for the appraisal of these key personnel and recommending any salary progression.

When setting pay for key management personnel the Finance Committee considers several parameters including the person's experience and skill set, the role they are to perform for TGAT and the external marketplace and conditions for similar roles within the sector.

**Related Parties and other Connected Charities and Organisations**

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.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The long-term aim of the Trust is to operate a group of five primary academies for the benefit of children aged 3-11.

The Trustees are pleased to report that following an Ofsted inspection in September 2019 TGA was graded "Good" overall and in all five areas inspected.

The Board, through the Trust Executive, will continue to investigate all other viable options which may include diversification, affiliation, partnership or eventual merger with another trust.

The aims of TGA during the year ended 31<sup>st</sup> August 2019 are summarised below:

- To work in partnership with our community to further develop provision and strengthen the school
- To nurture children's spiritual, mental, social, physical and moral development through our values and ethos
- To ensure equal access to all pupils through inclusive practice and strengthening of provision
- To raise attainment of all pupils and ensure they make at least expected progress

**Objectives, Strategies and Activities**

The key priorities for TGA for the year are contained in the Academy's Development Plan available from the Consultant Headteacher.

The main activities of TGAT for the year ended 31<sup>st</sup> August 2019 were as follows:

- Achieve a "good" judgement from Ofsted for TGA
- Raise standards of achievement in all subject areas

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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- Ensure all groups of pupils achieve and perform equally well within TGA
- Establish the optimum development platform for TGAT to enable its growth
- Ensure the long -term financial stability of TGAT and develop systems and procedures to support this
- Develop the best team through recruitment, training and retention of high calibre staff at all levels in the organisation
- Create a culture of excellent governance

TGA has continued to work on the priorities in the action plan approved by the trust, and one of principal objectives for this year has been to continue to accelerate pupil progress in all year groups in order that the trust, LGB and SLT further demonstrate their commitment to raising standards of education and thus seek an opportunity to take on further academies to meet the objective outlined above.

There is a consistent and experienced staff team, in both the academy and at the trust. The successful establishment of a stable staff has ensured the academy provides quality first teaching and learning in all year groups and is able to undertake reliable assessments of pupils' progress and attainment. Assessment and data action plans are in place, with fixed deadlines to ensure that all staff are aware and meet these. Target setting meetings are held at the beginning of the autumn term with targets being set on previous key stage assessment data. Challenging targets are set for all year groups.

The effective and targeted use of Pupil Premium funding continues to be overseen by a working group of governors and staff, which reported to both the monitoring board and LGB. The progress and achievement of pupils with special educational needs across the academy is an area that the trust, LGB and SLT will continue to focus on.

The result of this sustained effort has been the recent grading of TGA as "Good" in September 2019.

**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. The academy admissions' policy is that adopted by KCC (including the appeals process). The academy's SATs results reflect the impact the robust strategy and activities (in particular the trust's enrichment provision) are having on the pupils, and thus improving life chances as they move through their primary and onto secondary education and equip them for life-long learning.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**STRATEGIC REPORT**

**Achievements and Performance**

**Key Performance Indicators**

**Temple Grove Academy Results 2018/2019**

<b>EYFS</b>	
25 pupils	GLD
<b>2018 – 2019</b>	75%
<b>National Average</b>	72%

EYFS – Academy above national for number of pupils achieving good level of development – 75% compared to 72% national.

<b>Year One Phonics</b>	
26 Pupils	
<b>2018 – 2019</b>	81%
<b>National Average</b>	82%

Pupils passing the year 1 phonics assessment in the academy – 81%, 1% below national figure of 82%.

<b>Key Stage One</b>						
28 pupils	<b>Reading</b>		<b>Writing</b>		<b>Maths</b>	
	<b>EXS +</b>	<b>GDS</b>	<b>EXS +</b>	<b>GDS</b>	<b>EXS +</b>	<b>GDS</b>
<b>2018-2019</b>	71%	21%	71%	11%	75%	21%
<b>National Average</b>	75%	25%	69%	15%	76%	22%

In reading the pupils achieved slightly below national at both expected and greater depth, however in Writing pupils achieved slightly above expected. Expected was achieved in line with national in maths and also in greater depth.

<b>Key Stage Two</b>						
28 pupils	<b>Reading</b>		<b>Writing</b>		<b>Maths</b>	
	<b>EXS +</b>	<b>GDS</b>	<b>EXS +</b>	<b>GDS</b>	<b>EXS +</b>	<b>GDS</b>
<b>2018-2019</b>	66%	17%	72%	7%	69%	17%
<b>National Average</b>	73%	27%	78%	20%	79%	27%

At key stage 2 (year 6) the combined 66% (National Average 65%) Therefore the Academy is above the national average for combined – maths, reading and writing attainment in 2019.

Grammar ARE 74% (78%) GD 33%

The 3 year average for percentage of pupils meeting the expected standard in maths, reading and writing is 63%, the local average is 63% and national average is 60% therefore academy is slightly above national and in line with national attainment over 3 years. The trend over time is in line with national for the academy in combined subjects of reading, writing and maths.



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Attendance Data 2018-2019 - 95.2%, this is a 0.5% increase on attendance for academic year 2017-2018. Current attendance is 96.5% for period September to end of October 2019.

Ofsted Inspection – September 2019 graded the academy 'good' in all areas, the previous inspection graded academy as 'requires improvement'.

**Going Concern**

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

**FINANCIAL REVIEW**

TGAT's results for 2018/19 show an operating loss of £129,929. Operationally both TGAT and TGA have both run at a surplus in 18/19, the loss arises once depreciation and pension costs are taken into account.

There were no events of significance over 2018/19. The trust and TGA operated at their budgeted levels.

The principal source of funding is the General Academies Grant from the ESFA. Following a complete school restructure in 2017/18 and the appointment of a new leadership team within the trust and at TGA, the trust's primary objective of TGA achieving "Good" has now been met.

To ensure financial viability, another of the trust's strategic objectives, operationally the academy now runs a balanced budget and costs are constantly monitored throughout the year by the Academy Business Manager and trust CFO. Resources are deployed effectively and the Consultant Headteacher has restricted spending on ad-hoc supply teachers and general resource spending. All staff are fully aware of budgetary pressures.

The Trust has received a total donation of £65,000 from its sponsor Temple Grove Schools Trust over the last two financial years in order to support TGAT in its aspirations and enable the trust to have capacity for growth. The Trust Executive have been building systems and developing plans for growth over 2018/19, now with TGA achieving "Good" TGAT is ready to move forward and capitalise on its position. This meets another of the trust's objectives to build a sustainable platform for TGAT.

The Trust has invested in recruiting high calibre staff throughout its operations. This has been possible due to the restructure at TGA which created headroom in the budget to allow for more senior and middle leaders to be appointed. This has been fundamental to improving the quality of education at TGA and securing the "Good" rating.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Reserves Policy**

In order to ensure the Academy Trust can continue as a going concern TGAT aims to hold approximately £100,000 in reserve.

At 31 August 2019 the total funds comprised:

Unrestricted		£224,547
Restricted:	Fixed asset funds	£4,527,783
	Pension reserve	£(867,000)
	Other	£17,807
		<u>£3,903,137</u>

**Investment Policy**

The Academy Trust does not hold any large cash reserves. It has set up new bank accounts with Lloyds during the year, and has now closed its main accounts with Natwest. Interest is earned daily on the balances held in the Lloyds accounts.

**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:

**Financial Risk**

- Pupil numbers have continued to fall at TGA. The academy's PAN has been reduced from 60 to 30 from September 2019. This has enabled the academy to have greater certainty when budget forecasting and to deploy its resources more efficiently. The reduction in the forecast size of the academy still presents a financial risk however, particularly against a backdrop of cuts to central funding, and recent announcements on teachers pay and increasing pension contributions.

**Reputational Risk**

- The reputation of the academy becomes negative thus impacting the ability to grow pupil numbers, and the risk that pupils leave the academy.

**Key Operational Risk**

- Unforeseen H&S issues which require significant capital expenditure may have negative impact on reserves.
- Loss of key personnel. The Trust and the academy have worked hard to establish a stable and high caliber staff over the last two years. Succession plans are being developed to mitigate the impacts of any significant changes to personnel.

**FUNDRAISING**

The Academy Trust does not use any external fundraisers. All fundraising is carried out at academy level and is monitored by the LGB and the academy business manager. The amounts raised are modest and are reinvested into projects or equipment to enhance the pupils educational experience.

**PLANS FOR FUTURE PERIODS**

The Trust is also investigating other strategies for future growth. These include partnership, associate membership and/or working with other similar sized academy trusts to share good practice and specialist knowledge and skills, also to offset overheads.

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**TRUSTEES' REPORT (continued)**  
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**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Trust received £17,200 from TGST in the 2018/19 academic year. This money was gifted to TGA and is used by the academy to support the broader curriculum enriching the educational opportunities available at the academy. TGA provides TGST with a breakdown of how the funds are spent and the impact the activities are having on pupils at the academy.

**AUDITOR**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the 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.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 3 December 2019 and signed on the board's behalf by:



.....  
**Kathie Child Villiers**  
Trustee

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 chief 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 Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 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
Mark Dugdale, Chairman	3	4
Kathie Child Villiers	3	4
Nigel Prescott	4	4
Nicola Denoon Duncan	4	4
Philip Lough	2	4
Karen Nicholson	1	2
Paul Burton	2	2
Fiona Carr	1	1

TGAT's Board of Trustees has made several changes to its composition over 2018/19, fulfilling the five objectives set in 2018:

1. Strengthening the educational knowledge and experience on the Board through the appointment of Karen Nicholson an experienced Headteacher, and Education officer.
2. Adding a human resources specialist (sourced through Academy Ambassadors) through the appointment of Fiona Carr.
3. Creating two focused sub-committees, one the Finance Committee which investigates not just the viability of forward school and Trust budgets but also governance and overall Trust strategy; and the other, the Education Committee which assesses all academic data and calls relevant teachers to account as a foundation for formulating the school's educational strategy. Each sub-committee meets three times a year.
4. Redefining the Local Governing Body's (LGB) role as a committee focused on education and community matters. The LGB has representation on each of the Board sub-committees and has permanent representation on the main Trust Board through the formal appointment of its Chairman, as a Trustee of TGAT also.

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Board is building towards the addition of other schools (beyond just TGA) to its academic portfolio so that it becomes a genuine Multi-academy Trust. Therefore, its structure and governance principles (underpinned by Nolan) are probably excessive for a school of TGA's size but the Trust recognises that it must prove itself before it takes on additional responsibilities. TGA has been transformed into a school in a place loved by its pupils, and this was recognised very recently by Ofsted who upgraded TGA to "Good" status.

The formation of the Education Committee and its sub-committee the Monitoring Board, coupled with an enhanced level of educational knowledge and experience on the Trust Board, means that the Trust understands the educational data and performance information in much greater detail. These are discussed at length at each Board meeting.

As reported above, the Board constantly reviews its performance, composition and that governance conforms to the requirements of the Academies Financial Handbook, the latest versions of which are rigorously analysed by the CFO who communicates to all Trustees any changes that need to be implemented, which are then followed up to ensure that each Trustee conforms with these requirements.

The Board was visited by two members from the Department for Education during 2018 who sat in on a Board meeting. They were generally complimentary about the way the TGAT Trustees went about their business but had a few suggestions both on improving the quality of meetings and on the composition of the Board. These suggestions have been taken on board and addressed (see above). Members of the board and the Trust Executive also met with representatives from the DfE to discuss the progress of the trust.

One matter the Board has considered is the Academies Financial Handbook requirement for the Board to meet six times per annum. The Board discussed this matter at some length and has decided to hold four meetings per annum in the usual course of its business. The rationale for this is:

- The Board has historically had four scheduled meetings per academic year. It has convened additional meetings where the need has arisen.
- The Board has two sub committees each of which meets three times per academic year and the key information is fed back to all Trustees at the Board meetings or sooner if critical.
- There is a significant amount of communication and correspondence between Trustees and the Trust Executive throughout the year.
- Currently TGAT is an "empty MAT" with one school.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor all aspects of financial management within the Trust including but not limited to monitoring monthly finances; reviewing budget and forecast submissions, reviewing financial risks and determining remuneration for key personnel.

Specific areas of focus for the Finance Committee over 18/19 have been: executive pay; financial forecasts; development and review of certain key policies; developing, monitoring and reviewing the risk register.

The committee was formed in September 2018 following the adoption of the new schedule of delegation.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Kathie Child Villiers	3	3
Mark Dugdale	2	3
Nigel Prescott	2	3
Jamie Ross (member of LGB)	1	3

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Audit Committee is also 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
Mark Dugdale	1	1
Nigel Prescott	1	1
Kathie Child Villiers	1	1

#### **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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- The Academy Business Manager has done extensive research on school lunch provision. The local network of schools and academies are looking at commissioning a provider to offer a lunch service to the group, Temple Grove has expressed an interest in being part of this group.
- The Trust investigated the possibility of extending the letting of the premises. This has now been done and over £15,000 has been raised during the academic year.

#### **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 Temple Grove Academy Trust for the period 1 September 2018 to 31 August 2019 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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**GOVERNANCE STATEMENT (continued)**  
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**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint MHA MacIntyre Hudson as internal auditor.

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

- testing of income recording
- testing of expenditure recording
- testing of bank and cash controls

The internal auditor reports to the board of trustees twice per annum, through the finance committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The following control issues arose out of the internal auditor's work:

1. The auditors required that an appropriate control system be determined for the use of a recently issued debit card.
2. The auditors required that all staff expense claims should be undertaken correctly.
3. The auditors required that the old bank account be closed.

All findings were acknowledged and have been actioned by the Academy Business Manager.

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**REVIEW OF EFFECTIVENESS**

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

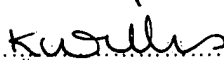
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and MHA MacIntyre Hudson 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 3 December 2019 and signed on its behalf by:



Kathie Child Villiers  
Trustee



Karen Willis  
Accounting Officer



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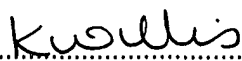
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Temple Grove Academy 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 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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.

  
.....  
**Karen Willis**  
Accounting Officer  
Date: 31/12/2019

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**TEMPLE GROVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees (who 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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 3/12/19 and signed on its behalf by:



.....  
**Kathie Child Villers**  
Trustee

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**TEMPLE GROVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
TEMPLE GROVE ACADEMY TRUST**

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**Opinion**

We have audited the financial statements of Temple Grove Academy Trust (the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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**TEMPLE GROVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
TEMPLE GROVE ACADEMY TRUST (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative details, Trustees' Report, incorporating the Strategic Report and the Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees' Responsibilities Statement. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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**TEMPLE GROVE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
TEMPLE GROVE ACADEMY TRUST (CONTINUED)**

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**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

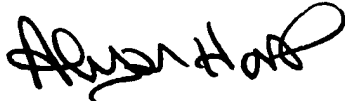
**Auditors' responsibilities for the audit of the financial statements**

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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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



**Alyson Howard FCCA DChA CF (Senior Statutory Auditor)**

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants & Statutory Auditors

71 New Dover Road

Canterbury

Kent

CT1 3DZ

Date: 15 December 2017

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**TEMPLE GROVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TEMPLE GROVE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 28 June 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 the ESFA 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 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 Temple Grove Academy Trust and ESFA, 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 1 January 2013 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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**TEMPLE GROVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TEMPLE GROVE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MHA MacIntyre Hudson*

**Reporting Accountant**

**MHA MacIntyre Hudson**  
71 New Dover Road  
Canterbury  
Kent  
CT1 3DZ

Date: *15 December 2019*

**TEMPLE GROVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	4	50,300	27,388	17,721	95,409	433,753
Charitable activities	5	-	1,237,702	-	1,237,702	1,233,294
Other trading activities	6	12,085	39,556	-	51,641	75,248
Investments	7	261	-	-	261	111
<b>Total income</b>		<b>62,646</b>	<b>1,304,646</b>	<b>17,721</b>	<b>1,385,013</b>	<b>1,742,406</b>
<b>Expenditure on:</b>						
Raising funds		4,800	14,430	-	19,230	26,119
Charitable activities	9	-	1,363,115	132,597	1,495,712	1,657,672
<b>Total expenditure</b>	8	<b>4,800</b>	<b>1,377,545</b>	<b>132,597</b>	<b>1,514,942</b>	<b>1,683,791</b>
<b>Net income/ (expenditure)</b>		<b>57,846</b>	<b>(72,899)</b>	<b>(114,876)</b>	<b>(129,929)</b>	<b>58,615</b>
Transfers between funds	20	807	-	(807)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>58,653</b>	<b>(72,899)</b>	<b>(115,683)</b>	<b>(129,929)</b>	<b>58,615</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(186,000)	-	(186,000)	203,000
<b>Net movement in funds</b>		<b>58,653</b>	<b>(258,899)</b>	<b>(115,683)</b>	<b>(315,929)</b>	<b>261,615</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		165,894	(590,294)	4,643,466	4,219,066	3,957,451
Net movement in funds		58,653	(258,899)	(115,683)	(315,929)	261,615
<b>Total funds carried forward</b>		<b>224,547</b>	<b>(849,193)</b>	<b>4,527,783</b>	<b>3,903,137</b>	<b>4,219,066</b>



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**TEMPLE GROVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

The notes on pages 27 to 57 form part of these financial statements.

**TEMPLE GROVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08309965**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	16		<b>4,527,783</b>		4,643,466
			<b>4,527,783</b>		4,643,466
<b>Current assets</b>					
Stocks	17	<b>2,621</b>		1,871	
Debtors	18	<b>45,222</b>		88,612	
Cash at bank and in hand	24	<b>228,387</b>		186,039	
		<b>276,230</b>		276,522	
Creditors: amounts falling due within one year	19	<b>(33,876)</b>		(81,922)	
<b>Net current assets</b>			<b>242,354</b>		194,600
<b>Total assets less current liabilities</b>			<b>4,770,137</b>		4,838,066
Defined benefit pension scheme liability	25		<b>(867,000)</b>		(619,000)
<b>Total net assets</b>			<b>3,903,137</b>		4,219,066
<b>Funds of the Academy Trust</b>					
<b>Restricted funds:</b>					
Restricted fixed asset funds	20	<b>4,527,783</b>		4,643,466	
Restricted general funds	20	<b>17,807</b>		28,706	
Restricted funds excluding pension liability	20	<b>4,545,590</b>		4,672,172	
Restricted general funds - pension reserve	20	<b>(867,000)</b>		(619,000)	
<b>Total restricted funds</b>	20		<b>3,678,590</b>		4,053,172
<b>Unrestricted funds</b>	20		<b>224,547</b>		165,894
<b>Total funds</b>			<b>3,903,137</b>		4,219,066

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**TEMPLE GROVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

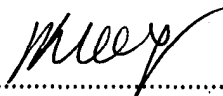
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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 22 to 57 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:

  
.....  
**Kathie Child Villers**  
Trustee  
Date: 3/12/19

The notes on pages 27 to 57 form part of these financial statements.

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**TEMPLE GROVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	22	33,518	(27,967)
<b>Cash flows from investing activities</b>	23	8,830	(29,809)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>42,348</b>	<b>(57,776)</b>
Cash and cash equivalents at the beginning of the year		186,039	243,815
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	24	<b>228,387</b>	<b>186,039</b>
		<hr/>	<hr/>

The notes on pages 27 to 57 form part of these financial statements

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**TEMPLE GROVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. General information**

Temple Grove Academy Trust is a company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operation are detailed on page 1. The nature of the Academy Trusts' operations and principal activity are detailed in the Trustees' Report.

**2. 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.

**2.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Temple Grove Academy Trust constitutes a public benefit entity as defined by FRS 102. The financial statements are presented in sterling which is the functional currency of the Academy Trust and rounded to the nearest pound.

**2.2 Going concern**

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

**2.3 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

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2. Accounting policies (continued)

2.4 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other trading income**

Other income, including the hire of facilities, lettings income, school trip contributions and school uniform sales are recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

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2. Accounting policies (continued)

2.5 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.6 Tangible fixed assets

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

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

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

Long-term leasehold property	-	2% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	20% straight line

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.

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**TEMPLE GROVE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. Accounting policies (continued)**

**2.7 Taxation**

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

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

**2.8 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**2.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**2.10 Debtors**

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

**2.11 Cash at bank and in hand**

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

**2.12 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.

**2.13 Provisions**

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

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



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2. Accounting policies (continued)

2.14 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 bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. 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 as detailed in note 19. 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.

2.15 Pensions

The Academy Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Academy Trust to the fund in respect of the year.

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**3. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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:

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 16 for the carrying amount of the property, plant and equipment and note 2.6 for the useful economic lives for class of assets.

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**4. Income from donations and capital grants**

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	50,300	27,388	-	77,688
Capital grants	-	-	17,721	17,721
<b>Total 2019</b>	<b>50,300</b>	<b>27,388</b>	<b>17,721</b>	<b>95,409</b>
	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Donations	25,000	18,649	2,968	46,617
Capital grants	-	-	387,136	387,136
<b>Total 2018</b>	<b>25,000</b>	<b>18,649</b>	<b>390,104</b>	<b>433,753</b>

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**5. Charitable activities - Funding for the Academy Trust's educational operations**

	<b>Restricted general funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	967,544	<b>967,544</b>	945,053
Pupil Premium	127,048	<b>127,048</b>	129,472
Other DfE / ESFA revenue grants	23,408	<b>23,408</b>	22,250
	<b>1,118,000</b>	<b>1,118,000</b>	1,096,775
<b>Other government grants</b>			
Local Authority revenue grants	83,633	<b>83,633</b>	100,197
Other government revenue grants	36,069	<b>36,069</b>	36,322
<b>Total 2019</b>	<b>1,237,702</b>	<b>1,237,702</b>	1,233,294

In 2018, all income from charitable activities was allocated to restricted general funds.

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**FOR THE YEAR ENDED 31 AUGUST 2019**

**6. Other trading activities**

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Total funds 2019 £
Lettings income	-	26,443	26,443
School trips and clubs	7,711	3,968	11,679
Uniform sales	4,374	-	4,374
Other income	-	9,145	9,145
<b>Total 2019</b>	<b>12,085</b>	<b>39,556</b>	<b>51,641</b>

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £
Lettings income	-	18,152	18,152
School trips and clubs	10,511	13,875	24,386
Uniform sales	5,331	-	5,331
Other income	-	27,379	27,379
<b>Total 2018</b>	<b>15,842</b>	<b>59,406</b>	<b>75,248</b>

**7. Investment income**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	261	261	111
<b>Total 2019</b>	<b>261</b>	<b>261</b>	<b>111</b>

In 2018 all income from investments was allocated to unrestricted funds.

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**8. Total expenditure**

	Staff costs 2019 £	Premises costs 2019 £	Other costs 2019 £	Total 2019 £
<b>Expenditure on raising funds:</b>				
Support costs	-	-	19,230	<b>19,230</b>
<b>Educational activities:</b>				
Direct costs	874,373	-	220,796	<b>1,095,169</b>
Support costs	140,456	123,853	136,234	<b>400,543</b>
<b>Total 2019</b>	<b>1,014,829</b>	<b>123,853</b>	<b>376,260</b>	<b>1,514,942</b>

	Staff costs 2018 £	Premises costs 2018 £	Other costs 2018 £	Total 2018 £
<b>Expenditure on raising funds:</b>				
Support costs	-	-	26,119	<b>26,119</b>
<b>Educational operations:</b>				
Direct costs	891,587	-	298,509	<b>1,190,096</b>
Support costs	184,764	102,222	180,590	<b>467,576</b>
<b>Total 2018</b>	<b>1,076,351</b>	<b>102,222</b>	<b>505,218</b>	<b>1,683,791</b>

In 2018, of the total expenditure of £1,683,791, £11,432 was from unrestricted funds, £1,550,377 was from restricted general funds, and £121,982 was from restricted fixed asset funds.

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**9. Analysis of expenditure by charitable activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>
Educational operations	1,095,169	400,543	1,495,712
<b>Total 2019</b>	<b>1,095,169</b>	<b>400,543</b>	<b>1,495,712</b>

	<b>Activities undertaken directly 2018 £</b>	<b>Support costs 2018 £</b>	<b>Total funds 2018 £</b>
Educational operations	1,190,096	467,576	1,657,672
<b>Total 2018</b>	<b>1,190,096</b>	<b>467,576</b>	<b>1,657,672</b>

**Analysis of support costs**

	<b>Educational operations 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Defined benefit pension scheme finance cost	16,000	16,000	19,000
Staff costs	124,456	124,456	165,764
Technology costs	32,869	32,869	23,966
Premises costs	123,853	123,853	92,043
Other costs	69,467	69,467	117,677
Governance costs	33,898	33,898	49,126
<b>Total 2019</b>	<b>400,543</b>	<b>400,543</b>	<b>467,576</b>

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**10. Governance costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Legal and professional fees	<b>23,073</b>	35,716
Auditors' remuneration - Audit of the financial statements	<b>7,100</b>	6,650
Auditors' remuneration - Other services	<b>3,725</b>	6,760
	<b><u>33,898</u></b>	<b><u>49,126</u></b>

**11. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>123,018</b>	115,982
Auditors' remuneration - Audit of the financial statements	<b>7,100</b>	6,650
Auditors' remuneration - Other services	<b>3,725</b>	6,760
Operating lease rentals	<b><u>2,594</u></b>	<b><u>1,170</u></b>



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**12. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	760,183	759,793
Social security costs	52,049	52,712
Pension costs	103,753	168,753
	<u>915,985</u>	<u>981,258</u>
Supply teacher costs	82,844	24,256
Staff restructuring costs	-	51,837
Defined benefit pension scheme finance cost	16,000	19,000
	<u>1,014,829</u>	<u>1,076,351</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	-	23,084
Severance payments	-	28,753
	<u>-</u>	<u>51,837</u>

**b. Non-statutory/non-contractual staff severance payments**

There were no non-contractual staff severance payments in the year (2018 - two payments of £23,253 and £5,500 totalling £28,753).

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**12. Staff costs (continued)**

**c. Staff numbers**

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

	2019 No.	2018 No.
Teaching staff	17	10
Administration and support	15	16
Management	5	2
	<u>37</u>	<u>28</u>

**d. Higher paid staff**

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

	2019 No.	2018 No.
In the band £70,001 - £80,000	<u>1</u>	<u>-</u>

The above employee did not participate in either the Teachers Pension Scheme or Local Government Pension Scheme.

**e. Key management personnel**

The Key Management Personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by Key Management Personnel for their services to the Academy Trust was £273,838 (2018: £271,992).

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**13. Central services**

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

- Central administration services
- Audit

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

- 5% of GAG funding (2018 - 5%)

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Temple Grove Academy	<u>48,377</u>	<u>47,253</u>

**14. 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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Nicola Denoon Duncan	Remuneration	NIL	30,000 - 35,000
	Pension contributions paid	NIL	NIL

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

**15. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy Trust 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.

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**16. Tangible fixed assets**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2018	5,098,248	83,100	74,898	5,256,246
Additions	-	9,152	-	9,152
Disposals	-	(2,019)	-	(2,019)
Adjustment to retention estimate	(807)	-	-	(807)
At 31 August 2019	5,097,441	90,233	74,898	5,262,572
<b>Depreciation</b>				
At 1 September 2018	522,093	34,907	55,780	612,780
Charge for the year	101,965	8,911	12,142	123,018
On disposals	-	(1,009)	-	(1,009)
At 31 August 2019	624,058	42,809	67,922	734,789
<b>Net book value</b>				
At 31 August 2019	4,473,383	47,424	6,976	4,527,783
At 31 August 2018	4,576,155	48,193	19,118	4,643,466

**17. Stocks**

	2019 £	2018 £
Uniform stocks	2,621	1,871

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**18. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	4,090	1,800
Other debtors	3,000	35,187
Prepayments and accrued income	27,734	39,320
VAT recoverable	10,398	12,305
	<u>45,222</u>	<u>88,612</u>

**19. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	13,497	12,170
Other creditors	-	44,584
Accruals and deferred income	20,379	25,168
	<u>33,876</u>	<u>81,922</u>

	2019 £	2018 £
<b>Deferred income</b>		
Deferred income at 1 September	25,168	15,550
Resources deferred during the year	11,089	25,168
Amounts released from previous periods	(25,168)	(15,550)
<b>Deferred income at 31 August</b>	<u>11,089</u>	<u>25,168</u>

At the Balance Sheet date, the Academy Trust was holding funds received in advance relating to the Universal Free School Meals revenue grant for the 2019/20 financial year.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
Unrestricted funds	165,894	62,646	(4,800)	807	-	224,547
<b>Restricted general funds</b>						
General Annual Grant (GAG)	28,706	967,544	(978,443)	-	-	17,807
Pupil Premium	-	127,048	(127,048)	-	-	-
Other DfE/ESFA revenue grants	-	23,408	(23,408)	-	-	-
Local Authority revenue grants	-	83,633	(83,633)	-	-	-
Other government revenue grants	-	36,069	(36,069)	-	-	-
TGST						
Enrichment Grant	-	17,200	(17,200)	-	-	-
Children in need grant	-	10,000	(10,000)	-	-	-
Other restricted funds	-	39,744	(39,744)	-	-	-
Pension reserve	(619,000)	-	(62,000)	-	(186,000)	(867,000)
	(590,294)	1,304,646	(1,377,545)	-	(186,000)	(849,193)
<b>Restricted fixed asset funds</b>						
NBV of fixed assets	4,643,466	-	(124,028)	8,345	-	4,527,783
DfE / ESFA capital grants	-	17,721	(8,569)	(9,152)	-	-
	4,643,466	17,721	(132,597)	(807)	-	4,527,783
<b>Total Restricted funds</b>	<b>4,053,172</b>	<b>1,322,367</b>	<b>(1,510,142)</b>	<b>(807)</b>	<b>(186,000)</b>	<b>3,678,590</b>

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**20. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Total funds</b>	<b>4,219,066</b>	<b>1,385,013</b>	<b>(1,514,942)</b>	<b>-</b>	<b>(186,000)</b>	<b>3,903,137</b>

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 Trust to support activities inside and outside the curriculum.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Trust via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been established because the GAG must be used for the normal running costs of the Trust.

The Pupil Premium fund has been established to recognise the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE / ESFA revenue grants fund has been created to recognise the restricted funding received from the Department for Education / Education and Skills Funding Agency which fall outside the scope of core funding.

The SEN income fund was set up to recognise funds provided to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require. For the 2018/19 financial year, this fund is now included within the Local Authority revenue grants fund.

The Local Authority revenue grants fund has been set up to recognise the income received from Kent County Council as a contribution towards the cost of the Trust's revenue expenditure.

The Other government grants fund represents the restricted funding received from all other Government bodies which fall outside the scope of core funding.

The TGST Enrichment Grant fund has been created to recognise sponsorship income from Temple Grove Schools Trust, to be used to support the TGAT in its aspirations and enable it to have capacity for growth.

The Children In Need Grant was received to help fund the Breakfast Club for 43 children aged 5-11 from low income families with English as an additional language.

Other restricted funds recognises all other restricted funding that cannot be classified above but fall outside the scope of its core activities.

The Pension reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised. The fund is in deficit, but given the nature of the liability this is not payable immediately. Plans are in place to meet the deficit.

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**20. Statement of funds (continued)**

The NBV of fixed assets fund has been set up to recognise the tangible assets held by the Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE / ESFA capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of fixed asset funds. A transfer of £9,152 was made for this purpose this year.

The Other government capital grants/donations funds were also created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of fixed asset funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Temple Grove Academy	192,502	127,884
Temple Grove Academy Trust	49,852	66,716
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	242,354	194,600
Restricted fixed asset fund	4,527,783	4,643,466
Pension reserve	(867,000)	(619,000)
	<hr/>	<hr/>
<b>Total</b>	<b>3,903,137</b>	<b>4,219,066</b>
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**20. Statement of funds (continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Temple Grove Academy	817,038	140,456	96,478	260,602	1,314,574
Temple Grove Academy Trust	57,335	-	1,300	18,715	77,350
<b>Total</b>	<b>874,373</b>	<b>140,456</b>	<b>97,778</b>	<b>279,317</b>	<b>1,391,924</b>

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**20. Statement of funds (continued)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General funds	136,373	40,953	(11,432)	-	-	165,894
<b>Restricted general funds</b>						
General Annual Grant (GAG)	17,646	945,053	(927,195)	(6,798)	-	28,706
Pupil Premium	59,489	129,472	(188,961)	-	-	-
Other DfE/ESFA revenue grants	42,912	22,250	(65,162)	-	-	-
SEN income	-	30,835	(30,835)	-	-	-
Local Authority grants	68,310	38,527	(106,837)	-	-	-
Other government grants	-	48,747	(48,747)	-	-	-
TGST Enrichment Grant	4,108	18,410	(22,518)	-	-	-
School trips	1,067	8,455	(9,522)	-	-	-
Other restricted funds	-	69,600	(69,600)	-	-	-
Pension reserve	(741,000)	-	(81,000)	-	203,000	(619,000)
	<u>(547,468)</u>	<u>1,311,349</u>	<u>(1,550,377)</u>	<u>(6,798)</u>	<u>203,000</u>	<u>(590,294)</u>
<b>Restricted fixed asset funds</b>						
NBV of fixed assets	4,345,424	-	(121,982)	420,024	-	4,643,466
Other capital grants	23,122	387,136	-	(410,258)	-	-
Other capital donations	-	2,968	-	(2,968)	-	-

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. Statement of funds (continued)**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
	4,368,546	390,104	(121,982)	6,798	-	4,643,466
<b>Total Restricted funds</b>	3,821,078	1,701,453	(1,672,359)	-	203,000	4,053,172
<b>Total funds</b>	3,957,451	1,742,406	(1,683,791)	-	203,000	4,219,066

**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	4,527,783	4,527,783
Current assets	258,423	17,807	-	276,230
Creditors due within one year	(33,876)	-	-	(33,876)
Defined benefit pension scheme liability	-	(867,000)	-	(867,000)
<b>Total</b>	224,547	(849,193)	4,527,783	3,903,137

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**21. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	4,643,466	4,643,466
Current assets	165,894	110,628	-	276,522
Creditors due within one year	-	(81,922)	-	(81,922)
Defined benefit pension scheme liability	-	(619,000)	-	(619,000)
<b>Total</b>	<b>165,894</b>	<b>(590,294)</b>	<b>4,643,466</b>	<b>4,219,066</b>

**22. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(129,929)</b>	58,615
<b>Adjustments for:</b>		
Depreciation charges	<b>123,018</b>	115,982
Capital grants from DfE and other capital income	<b>(17,721)</b>	(390,104)
Investment income	<b>(261)</b>	(111)
Retention estimate	<b>807</b>	-
Defined benefit pension scheme cost less contributions payable	<b>46,000</b>	62,000
Defined benefit pension scheme finance cost	<b>16,000</b>	19,000
(Increase)/decrease in stocks	<b>(750)</b>	1,494
(Increase)/decrease in debtors	<b>43,390</b>	81,067
(Decrease)/increase in creditors	<b>(48,046)</b>	18,090
Loss on the sale of fixed assets	<b>1,010</b>	6,000
<b>Net cash provided by/(used in) operating activities</b>	<b>33,518</b>	(27,967)

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**23. Cash flows from investing activities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Investment income	<b>261</b>	<b>111</b>
Purchase of tangible fixed assets	<b>(9,152)</b>	<b>(420,024)</b>
Capital grants from DfE/ESFA	<b>17,721</b>	<b>387,136</b>
Capital funding received from sponsors and others	<b>-</b>	<b>2,968</b>
<b>Net cash provided by/(used in) investing activities</b>	<b>8,830</b>	<b>(29,809)</b>

**24. Analysis of cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>228,387</b>	<b>186,039</b>
<b>Total cash and cash equivalents</b>	<b>228,387</b>	<b>186,039</b>

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**25. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 multi-employer defined benefit schemes.

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

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

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

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

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**25. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

**Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £48,000 (2018 - £58,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £52,000 (2018 - £74,000), of which employer's contributions totalled £40,000 (2018 - £57,000) and employees' contributions totalled £ 12,000 (2018 - £17,000). The agreed contribution rates for future years are 20 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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**25. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.70</b>	3.80
Rate of increase for pensions in payment/inflation	<b>2.20</b>	2.30
Discount rate for scheme liabilities	<b>1.85</b>	2.65
Inflation assumption (RPI)	<b>3.20</b>	3.30
Inflation assumption (RPI)	<b>2.20</b>	2.30
Inflation assumption (RPI)	<b>50.00</b>	50.00

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>22.1</b>	23.1
Females	<b>24.0</b>	25.2
<i>Retiring in 20 years</i>		
Males	<b>23.7</b>	25.3
Females	<b>25.8</b>	27.5

**Sensitivity analysis**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	<b>(46)</b>	(37)
Discount rate -0.1%	<b>47</b>	38
Mortality assumption - 1 year increase	<b>66</b>	51
Mortality assumption - 1 year decrease	<b>(64)</b>	(49)



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**25. Pension commitments (continued)**

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	693,000	634,000
Gilts	7,000	7,000
Other bonds	92,000	83,000
Property	119,000	115,000
Cash	27,000	28,000
Absolute return fund	79,000	63,000
<b>Total market value of assets</b>	<b>1,017,000</b>	<b>930,000</b>

The actual return on scheme assets was £43,000 (2018 - £38,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(71,000)	(119,000)
Past service cost	(15,000)	-
Interest income	25,000	22,000
Interest cost	(41,000)	(41,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(102,000)</b>	<b>(138,000)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>1,549,000</b>	<b>1,563,000</b>
Current service cost	71,000	119,000
Interest cost	41,000	41,000
Employee contributions	12,000	17,000
Actuarial losses/(gains)	204,000	(187,000)
Benefits paid	(8,000)	(4,000)
Past service costs	15,000	-
<b>At 31 August</b>	<b>1,884,000</b>	<b>1,549,000</b>

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**25. Pension commitments (continued)**

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>930,000</b>	<b>822,000</b>
Interest income	25,000	22,000
Actuarial gains	18,000	16,000
Employer contributions	40,000	57,000
Employee contributions	12,000	17,000
Benefits paid	(8,000)	(4,000)
<b>At 31 August</b>	<b>1,017,000</b>	<b>930,000</b>

**Reconciliation of opening to closing defined benefit pension scheme liability**

	2019 £	2018 £
Balance brought forward at 1 September	619,000	741,000
Defined benefit pension scheme cost less contributions payable	46,000	62,000
Defined benefit pension scheme finance cost	16,000	19,000
Actuarial (gains) / losses	186,000	(203,000)
<b>At 31 August</b>	<b>867,000</b>	<b>619,000</b>

**Amounts recognised in the Balance Sheet are as follows:**

	2019 £	2018 £
Present value of the defined benefit obligation	(1,884,000)	(1,549,000)
Fair value of scheme assets	1,017,000	930,000
	<b>(867,000)</b>	<b>(619,000)</b>

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**26. Operating lease commitments**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	2,241	1,451
Between 1 and 5 years	3,095	2,340
	<u>5,336</u>	<u>3,791</u>

**27. 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.

**28. Related party transactions**

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

During the year, the Trust received £67,200 (2018 - £33,410) and incurred costs of £nil (2018 - £nil) from Temple Grove Schools Trust, a charity to which N Prescott, P Lough and M Dugdale are all members of the Board of Trustees. There were no amounts outstanding at the year end (2018 - £nil).