

TEMPLE GROVE ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



TEMPLE GROVE ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mark Dugdale
Nigel Prescott
Alanna Lee
Dame Sylvia Morris
Mark Wellby

Trustees

Mark Dugdale, Chairman*
Kathie Child Villiers*
Nigel Prescott*
Karen Willis (resigned 1 December 2017)
Nicola Denoon Duncan, CEO
Philip Lough (appointed 26 January 2018)
Paul Burton (appointed 1 September 2018)

* members of the Audit Committee

Company registered number

08309965 (England and Wales)

Company name

Temple Grove Academy Trust

Principal and registered office

Friars Way, Tunbridge Wells, Kent, TN2 3UA

Company secretary

Joanne Nertney (resigned 10 November 2017)
Charlotte Jayaraj (appointed 11 November 2017)

Senior management team

Isabel Ramsay, Consultant Headteacher (appointed 1 April 2018)
Emily Crow, Deputy Headteacher
Matt Bailey, Deputy/Assistant Headteacher
Phil Holland, Business Manager
Mark Dugdale, Data Protection Trustee
Sam Linton, Headteacher (resigned 31 March 2018)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Independent auditors

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

Bankers

NatWest, 49 High Street, Uckfield, East Sussex, TN22 1GW

Solicitors

Stone King LLP, 13 Queen Square, Bath, BA1 2HJ

TEMPLE GROVE ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the Financial Statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

Since the Academy Trust qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The Academy Trust operates a school for pupils aged 3 to 11 serving a catchment area in Tunbridge Wells. It has a pupil capacity of 420 and a roll of 219 (241 including nursery) in the school census on 17 May 2018.

Structure, governance and management

a. CONSTITUTION

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Temple Grove Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Temple Grove Academy Trust Ltd and TGAT.

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

b. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the 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.

c. 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'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.

d. 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.

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

There shall be a minimum of 2 Parent Trustees, or at least 2 Parent Governors on each established Local Governing Body. The Trustees may appoint up to 3 Co-Opted Trustees.

e. 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 the local authority KESLI website, and NGA training programmes. They also have access to The Key.

f. 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 Trust by monthly meetings, written and verbal reports, and annual audit of the accounts. The Academy Trust 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 budgets to the Trustees. The Trustees delegate day-to-day running of the Academy Trust to the CEO. The day-to-day running of the TGA academy is delegated by the LGB to the Headteacher.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

From the 1st April 2017 the Chair of TGAT is responsible for the appraisal and recommending salary progression. The Academy Trust appointed a Consultant Headteacher in April 2018 on a 3 day-a-week contract. Performance management is in place for all staff including members of the Senior Leadership Team.

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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

Temple Grove Schools Trust is responsible for:

- setting up the Academy Trust;
- setting the ethos and providing expertise and support; and
- providing enrichment funds to the Academy Trust.

Objectives and Activities

a. OBJECTS AND AIMS

The long-term aim of the Academy Trust is to operate a group of five primary academies for the benefit of children aged 3-11. However, this is under review until TGA obtains an Ofsted "Good" rating. At this point the prevailing political and economic climate and TGAT's own progress will be taken into consideration before any decision is made on the Trust's future direction. TGAT recognises it is an 'empty' MAT and is investigating other viable alternatives such as merger, partnership or affiliation with another Trust with similar values and ethos.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The principal objective for this year has been to continue to accelerate pupil progress in all year groups at TGA in order that the Trust, LGB and SLT further demonstrate their commitment to raising standards of education.

A monitoring board was set up in the autumn term 2017, to moderate and monitor in-year progress and achievement from EYFS to Year 6. The monitoring board evaluates progress of action plans for subjects' half-termly in line with the School Improvement Plan (SIP). The monitoring board reports to the Trustees on the progress of groups of pupils in TGA by year group, both celebrating success and raising concerns.

The effective and targeted use of Pupil Premium funding continues to be overseen by a working group of governors and staff, which is reported to both the monitoring board and LGB. The progress and achievement of boys across the school is an area that the Trust, LGB and SLT will focus on during the academic year, and a working group of staff, governors and pupils will be set up to monitor the progress of this group of pupils and report to the monitoring board, LGB and Trust.

The successful establishment of stable staffing has ensured the Academy Trust 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. All staff have an assessment file with accurate and up-to-date data. Target setting meetings were held at the beginning of the autumn term with targets being set on previous Key Stage assessment data. Challenging targets were set for all year groups.

c. PUBLIC BENEFIT

The Trustees, in making their decisions, have given due regard to the Charity Commission's Public Benefit guidance, 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's admissions policy, including the appeals process, is that adopted by KCC. 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, thus improving life chances as they move through primary and onto secondary education.

Achievements and performance

Strategic report

a. KEY PERFORMANCE INDICATORS

- An HMI inspection took place in May 2018. A very positive report was published stating that the academy has made significant progress in meeting the areas for improvement highlighted in the Ofsted inspection in 2017, with particular reference to the provision of a wide and broad curriculum for academic year 2017/18. The HMI also commented on the strong leadership, with capacity for growth and the pleasing SATs results for both KS1 and KS2.
- The academy was graded 'Requires Improvement' following an Ofsted inspection in May 2017.
- Clear vision for the school, good behaviour, good support for SEND children, good EYFS.
- The academy has developed a Post Ofsted Action Plan which sets out strategy to address areas for improvement and this is shared and monitored by parents, staff, governors and Trustees. The HMI inspector reported that the academy was meeting most of the targets in this plan.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- The academy has an above average number of disadvantaged children at 28%. Their learning has been further supported by targeted use of Pupil Premium funding for several projects including year-round interventions delivered by specialist teachers.
- The academy has an above average number of pupils with special educational needs (SEND) – 25%. To ensure that these pupils receive the relevant support the school appointed in April 2018 an Education Psychologist (EP) who attends the academy 2 days per month, and an Associate Psychologist (AP) who is in the academy full time, and works with children on a range of issues, and delivers interventions which are monitored on the pupil's individual provision plans. The AP also assists the SENCO with applications for both high needs funding and EHCP's – education healthcare plans. Progress of SEN pupils against their outcomes is robustly tracked by the SENCO using personalised provision plans, and a personalised assessment procedure. Additional support and advice are sought from external professionals as required. A range of professionals work alongside school staff supporting all pupils with SEND, and close links have been established with a local special school.
- A monitoring board was established in the first half of the 2017 autumn term, to monitor the progress and achievements of all pupils in the academy. This challenging meeting is held half-termly with the school being called to account on all areas of the curriculum, progress and staffing. Pupil progress is monitored against targets set for the year based on the last nationally reported result.
- The continuing whole academy approach to improving learning outcomes for all pupils and a relentless focus on pupil progress meant that the 2018 SATs results and the recently published DfE analysis of school performance are testament to the effectiveness of the strategies put in place and their rigorous implementation by SLT.
- In reading and maths progress in line with national (reading -0.2, maths -0.5 and writing 1.3 where national = 0)
- Combined attainment at EXS+ was 61%, 3% below national which equates to 1 child not making EXS+.
- In writing EXS+ 71%.
- In maths EXS+ 68%.
- In reading EXS+ 65%.
- The academy has continued to use the "The Power of Reading" programme (CLPE) and the use of high-quality texts across the academy. The number of pupils achieving greater depth at the end of KS1 was above national in writing and reading (2018). Key Stage 1 staff attended moderation, and a pleasing report was written on the work and expectations. All of the levels were agreed at the moderation.
- A governor led Pupil Premium Working Group continues to scrutinise the use of the Pupil Premium budget. Writing and maths attainment above national for disadvantaged pupils. The monitoring board scrutinises in detail the progress of PP pupils in all year groups.
- Interventions are considered on a pupil by pupil basis and recommendations made on progress. Provision mapping for all year groups is shared with the working group. Case studies carried out to support this. A half-termly pupil progress meeting involving staff and the SENCO ensures that the progress of all pupils is tracked, and interventions are measured.
- Sports funding and quality of PE provision is continually reviewed. The sports coach carries out in-lesson staff training to further develop and improve quality of provision, and to ensure all academy staff are developing skills. A separate report is available on the academy website on the sports funding expenditure.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

b. 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

a. RESERVES POLICY

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

b. MATERIAL INVESTMENTS POLICY

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

c. 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. A consultation to reduce the academy's PAN from 60 to 30 from September 2019 was successfully carried out in the year. This has enabled the Academy Trust 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 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.
- The reputation of the Trust dissuades schools from wishing to join the MAT, although this is a longer-term question. It would also make a merger or partnership with another MAT more difficult to broker.

Key Operational Risk

- Unforeseen H&S issues which require significant capital expenditure may have a negative impact on reserves.

d. EMPLOYEE CONSULTATION

A staff restructure at TGA was carried out in 2018. The purpose was to meet the changing needs of the academy, reflecting the reduction in pupil numbers and the changing role of teaching assistants.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Academy Trust will continue to support and encourage TGA to be judged "Good" by Ofsted at the next inspection by enabling governors and SLT to continue to create the environment and focus required to further

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

raise academic results. The Academy Trust is also investigating other strategies for future growth. These include merger, partnership and associate membership and/or working with other similar-sized Academy Trusts to share good practice, specialist knowledge/skills, and to offset overheads.

A new scheme of delegation will be introduced in September 2018 ensuring clear roles, responsibilities and lines of communication are in place between the LGB and the Trust following the recommendations of the HMI report in May 2018.

FUNDS HELD AS CUSTODIAN

TGA received £18,000 from TGST in the 2017/18 academic year. This money was gifted to TGA to support the programme of enrichment 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.

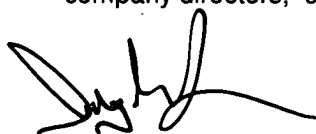
DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

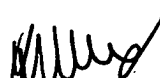
- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of such information.

The auditors, MHA MacIntyre Hudson, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Finance and Resources committee.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on ~~4th December~~ **4th December 2018** and signed on its behalf by:



.....
Mark Dugdale
Chairman



.....
Kathie Child Villiers
Trustee

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of a possible
Mark Dugdale	5	5
Kathie Child Villiers	3	5
Nigel Prescott	5	5
Karen Willis	2	2
Nicola Denoon Duncan	5	5
Philip Lough	2	2

A decision taken by the Trustees to ensure the **LGB** (with delegated functions) at TGA was made up from local (Tunbridge Wells) individuals, meant that a comprehensive recruitment programme continues with particular skillsets a requirement for new governors. An annual review of governance is undertaken.

Attendance at **LGB** meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
Peter Nicholls (res. October 2017)	1	1
Fiona Hayes	5	7
Nicola Denoon Duncan (res. November 2017)	2	2
Rodney Smith	7	7
Andrea Gull (res. June 2018)	4	5
Caroline Preston-Bell	5	7
Sara Meer	7	7
Paul Burton	7	7
Rev. Richard Thomas (appt. March 2018)	4	4

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GOVERNANCE STATEMENT (continued)

The **TGAT 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 and 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:

Trustees	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 Trust's decision to continue its comprehensive staffing restructure and recruitment programme at TGA has been successful. The introduction of a qualified Learning Support Assistant into the classroom to support the delivery of good teaching has meant accelerated pupil progress across the academy. Teacher recruitment has also been better managed by the introduction of new contracts of employment and a 6-month probation period for all new staff. The academy was fully staffed on 1st September 2018 with some strong middle leaders and good teaching staff recruited. The academy policy is for teachers to cover release PPA time, demonstrating a commitment to ensuring "quality first teaching" at all times across the academy.

The total Pupil Premium funding for 2017/18 was £129,472. EYFS Pupil Premium funding was £1,937. A full report on expenditure and impact can be found on the academy's website (www.templegroveacademy.com) with positive outcomes for Y6 reading (+2.61% v. nat.), Y6 writing 2 (+2.11 v. nat.), Y6 maths (+3.36% v. nat.).

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (continued)

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 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 payroll and recruitment;
- testing of contracts and procurement; and
- testing of lettings and voluntary income

The internal auditor reports to the Board of Trustees three times per annum, through the Finance and Resources 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. Auditors required a booking form be used for regular/repeat hirers of the academy's facilities.
2. Auditors required that sales invoices for facilities hire be posted to the nominal ledger when raised.
3. Auditors identified that some transactions going through the Voluntary Fund were not being authorised in accordance with the Finance Policy.
4. Auditors required that a two-signature process be implemented for cash receipts and subsequent banking of cash.

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

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GOVERNANCE STATEMENT (continued)

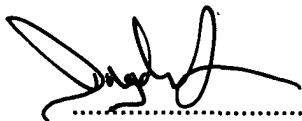
REVIEW OF EFFECTIVENESS

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 and Resources 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 4 December 2018 and signed on their behalf, by:



.....
Mark Dugdale
Chairman



.....
Karen Willis
Accounting Officer

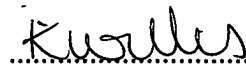
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Temple Grove Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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


.....
Karen Willis
Accounting Officer

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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:

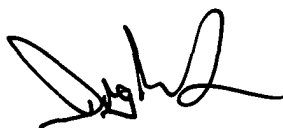
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 4th December and signed on its behalf by:
2018



.....
Mark Dugdale
Chairman

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

OPINION

We have audited the Financial Statements of Temple Grove Academy Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities Incorporating (Income and Expenditure Account), 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 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the Financial Statements:

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

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. 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.

TEMPLE GROVE ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.
- the Trustees' Report and the Strategic Report has 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, 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.

TEMPLE GROVE ACADEMY TRUST
(A Company Limited by Guarantee)

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

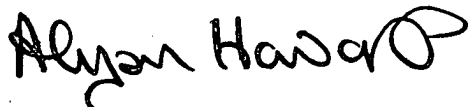
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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. 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: 21 December 2018

Date: 27 September 2018

CIT 3DS

Kent

Charterbury

11 New Dover Road

Sittingbourne

Chartered Accountants

MHA Machinery Hudson

for and on behalf of

Wayne Howard FCCA DCA CE (Senior Statutory Auditor)

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

USE OF OUR REPORT

Auditors' Report

Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our A further description of our responsibilities for the audit of the Financial Statements is located on the Financial

expected to influence the economic decisions of users taken on the basis of these Financial Statements. Item 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. In accordance with ISAs (UK) we 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. Our objective is 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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

LEMPLE GROVE ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF

(A Company limited by guarantee)

LEMPLE GROVE ACADEMY TRUST

TEMPLE GROVE ACADEMY TRUST
(A Company Limited by Guarantee)

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

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 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Temple Grove Academy Trust and the 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

the Academy Trusts income and expenditure.

Our engagement includes examination on a test basis of evidence relevant to the regularity and propriety of

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

regularity.

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

the ESEA. We performed a limited assurance engagement as defined in our engagement letter.

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by

APPROACH

intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes to our attention in carrying out our work which suggests that in all material respects expenditure disclosed and requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention and are to obtain limited assurance and report in accordance with our engagement letter and the our responsibilities for this engagement are established in the United Kingdom by our professional ethical

govern them.

applied for the purposes intended by Parliament and the financial transactions conform to the authorities which Handbook exist from 1 September 2017 for ensuring that expenditure disclosed and income received is agreement with the Secretary of State for Education dated 1 January 2013, and the Academies Financial the Accounting Officer is responsible under the requirements of Temple Grove Academy Trusts (including

AND THE REPORTING ACCOUNTANTS

RESPECTIVE RESPONSIBILITIES OF TEMPLE GROVE ACADEMY TRUSTS ACCOUNTING OFFICER

and the ESEA for our work for the report or for the conclusion we have formed.

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

which govern them.

been applied to the purposes identified by Parliament and the financial transactions conform to the authorities income received by Temple Grove Academy Trust during the year 1 September 2017 to 31 August 2018 have we have carried out an engagement to obtain limited assurance from whether the expenditure disclosed and the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018 in accordance with the terms of our engagement letter dated 28 June 2018 and in line with the requirements of

CHOLE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO TEMPLE

(A Company limited by guarantee)

TEMPLE GROVE ACADEMY TRUST

TEMPLE GROVE ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO TEMPLE GROVE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

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; 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 suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

71 New Dover Road
Canterbury
Kent
CT1 3DZ

Date: *21 December 2018*

Date: 04/12/2018 10:45:10 AM

CAJ 305

KSH

Campbell

21 New Dover Road

Stanford, Virginia

Chartered Accountants

11111 Executive Highway

Bedford, Virginia

which do not include any of the above mentioned items and the financial statements do not comply with the requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder. The financial statements for the year ended 2017 to 31 August 2018 have not been audited by an independent accounting firm and the results of the audit are not available for the year ended 2018.

CONCLUSION

- The independent auditors of the Accounting Officer, including the internal control procedures and reporting lines, and tested as appropriate and working
- testing of a sample of items received and other income statements; and
- testing of a sample of payments to employees and other third parties.
- testing of a sample of other payments to staff;
- other information available to us as appropriate;
- a review of the objectives and activities of the Accounting Officer with reference to the income statement and
- consideration of the financial statements of the Accounting Officer and other evidence made available to us; relevant to our

The work performed to date can constitute a report.

GROVE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO TRUSTEES

(A Company Limited by Guarantee)

TEMPLE GROVE ACADEMY TRUST

TEMPLE GROVE ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	25,000	18,649	390,104	433,753	58,137
Charitable activities	3	-	1,233,294	-	1,233,294	1,252,437
Other trading activities	4	15,842	59,406	-	75,248	50,412
Investments	5	111	-	-	111	831
TOTAL INCOME		40,953	1,311,349	390,104	1,742,406	1,361,817
EXPENDITURE ON:						
Raising funds		10,262	15,857	-	26,119	20,790
Charitable activities		1,170	1,534,520	121,982	1,657,672	1,650,059
TOTAL EXPENDITURE	6	11,432	1,550,377	121,982	1,683,791	1,670,849
NET (EXPENDITURE) BEFORE TRANSFERS		29,521	(239,028)	268,122	58,615	(309,032)
Transfers between Funds	20	-	(6,798)	6,798	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		29,521	(245,826)	274,920	58,615	(309,032)
Actuarial gains on defined benefit pension schemes	24	-	203,000	-	203,000	303,000
NET MOVEMENT IN FUNDS		29,521	(42,826)	274,920	261,615	(6,032)
RECONCILIATION OF FUNDS:						
Total funds brought forward		136,373	(547,468)	4,368,546	3,957,451	3,963,483
TOTAL FUNDS CARRIED FORWARD		165,894	(590,294)	4,643,466	4,219,066	3,957,451

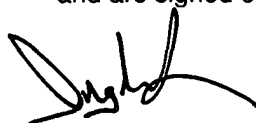
The notes on pages 23 to 46 form part of these financial statements.

TEMPLE GROVE ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08309965 (ENGLAND AND WALES)

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	16		4,643,466		4,345,424
CURRENT ASSETS					
Stocks	17	1,871		3,365	
Debtors	18	88,612		169,679	
Cash at bank and in hand		186,039		243,815	
			276,522	416,859	
CREDITORS: amounts falling due within one year	19	(81,922)		(63,832)	
NET CURRENT ASSETS			194,600		353,027
TOTAL ASSETS LESS CURRENT LIABILITIES			4,838,066		4,698,451
Defined benefit pension scheme liability	24		(619,000)		(741,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			4,219,066		3,957,451
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	28,706		193,532	
Restricted fixed asset funds	20	4,643,466		4,368,546	
Restricted funds excluding pension liability		4,672,172		4,562,078	
Restricted general funds - pension reserve		(619,000)		(741,000)	
Total restricted funds			4,053,172		3,821,078
Unrestricted funds	20		165,894		136,373
TOTAL FUNDS			4,219,066		3,957,451

The Financial Statements on pages 20 to 46 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:



.....
Mark Dugdale
Chair of Trustees

The notes on pages 23 to 46 form part of these Financial Statements.

TEMPLE GROVE ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	22	<u>(27,967)</u>	<u>(138,317)</u>
Cash flows from investing activities:			
Investment income		111	831
Purchase of tangible fixed assets		(420,024)	(10,613)
Capital grants from DfE/ESFA		387,136	6,624
Capital funding received from sponsors and others		<u>2,968</u>	<u>-</u>
Net cash used in investing activities		<u>(29,809)</u>	<u>(3,158)</u>
Change in cash and cash equivalents in the year		(57,776)	(141,475)
Cash and cash equivalents brought forward		<u>243,815</u>	<u>385,290</u>
Cash and cash equivalents carried forward	23	<u>186,039</u>	<u>243,815</u>

The notes on pages 23 to 46 form part of these Financial Statements.

TEMPLE GROVE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of Financial Statements

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 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 prepared in sterling which is the functional currency of the Academy Trust and rounded to the nearest pound.

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 Trust's operations and principal activity are detailed in the Trustees' Report.

1.2 Going concern

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

1.3 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 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.

TEMPLE GROVE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants paid in respect of eligible expenditure are only recognised when such expenditure has been incurred. Any income received in advance is deferred.

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

TEMPLE GROVE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 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 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.

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, 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
Motor vehicles	-	10% 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.

TEMPLE GROVE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.7 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Operating leases

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

1.9 Stocks

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

1.10 Debtors

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

1.11 Cash at bank and in hand

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

1.12 Liabilities and provisions

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets - trade debtors, other debtors and accrued income 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 costs 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.

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/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 2018

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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 re-assessed 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 1.6 for the useful economic lives for class of assets.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	25,000	18,649	2,968	46,617	51,513
Capital grants	-	-	387,136	387,136	6,624
Total 2018	25,000	18,649	390,104	433,753	58,137
Total 2017	23,519	25,026	9,592	58,137	

3. CHARITABLE ACTIVITIES - FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	945,053	945,053	943,111
Pupil Premium	-	129,472	129,472	123,610
DfE/ESFA revenue grants	-	22,250	22,250	53,432
Total 2018	-	1,096,775	1,096,775	1,120,153
Other government grants				
SEN income	-	30,835	30,835	40,994
Local Authority revenue grants	-	69,362	69,362	69,560
Other government revenue grants	-	36,322	36,322	21,730
	-	136,519	136,519	132,284
Total 2018	-	1,233,294	1,233,294	1,252,437
Total 2017	-	1,252,437	1,252,437	

There are no unfulfilled or other contingencies attached to the government grants above.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	-	18,152	18,152	17,326
School trips and clubs	10,511	13,875	24,386	17,622
Uniform sales	5,331	-	5,331	7,607
Other income	-	27,379	27,379	7,857
Total 2018	15,842	59,406	75,248	50,412
Total 2017	50,412	-	50,412	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	111	-	111	831
Total 2017	831	-	831	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

6. TOTAL EXPENDITURE

	Staff costs 2018 £	Premises costs 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
Direct costs	-	-	-	-	-
Support costs	-	-	26,119	26,119	20,790
Charitable activities:					
Direct costs	891,587	-	298,509	1,190,096	1,186,445
Support costs	184,764	102,222	180,590	467,576	463,614
Total 2018	1,076,351	102,222	505,218	1,683,791	1,670,849
Total 2017	1,102,110	132,016	436,723	1,670,849	

7. ANALYSIS OF EXPENDITURE BY CHARITABLE ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	1,190,096	467,576	1,657,672	1,650,059
Total 2017	1,186,445	463,614	1,650,059	

8. DIRECT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Teaching and learning costs	136,165	136,165	124,236
Other costs	46,362	46,362	32,642
Staff costs	891,587	891,587	913,888
Depreciation	115,982	115,982	115,679
	1,190,096	1,190,096	1,186,445
Total 2017	1,186,445	1,186,445	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. DIRECT COSTS (continued)

9. TOTAL SUPPORT COSTS

	Fundraising expenses £	Educational operations £	Total 2018 £	Total 2017 £
Defined benefit pension scheme				
finance cost	-	19,000	19,000	21,000
Technology costs	-	23,966	23,966	26,912
Premises costs	-	92,043	92,043	108,958
Governance costs	-	49,126	49,126	28,843
Other costs	26,119	117,677	143,796	131,469
Staff costs	-	165,764	165,764	167,222
Total 2018	26,119	467,576	493,695	484,404
Total 2017	20,790	463,614	484,404	

10. GOVERNANCE COSTS

	2018 £	2017 £
Legal and professional fees	35,716	18,593
Auditors' remuneration - Audit of the financial statements	6,650	6,650
Auditors' remuneration - Other services	6,760	3,600
Total	49,126	28,843

11. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the Academy Trust	115,982	115,679
Auditors' remuneration - Audit of the financial statements	6,650	6,650
Auditors' remuneration - Other services	6,760	3,600
Operating lease rentals	1,170	1,560

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

12. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	759,793	766,126
Social security costs	52,712	66,374
Pension costs	168,753	195,770
	<u>981,258</u>	<u>1,028,270</u>
Supply teacher costs	24,256	34,840
Staff restructuring costs	51,837	18,000
Defined benefit pension scheme finance cost	19,000	21,000
	<u>1,076,351</u>	<u>1,102,110</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	23,084	-
Severance payments	28,753	18,000
	<u>51,837</u>	<u>18,000</u>

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

Included in staff restructuring costs of £51,837 are two non-contractual staff severance payments of £23,253 and £5,500 totalling £28,753 (2017 - £18,000).

c. Staff numbers

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

	2018 No.	2017 No.
Teaching staff	10	14
Support staff	16	19
Management	2	3
	<u>28</u>	<u>36</u>

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12. STAFF COSTS (continued)

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £80,001 - £90,000	0	1

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 £271,992 (2017: £240,671).

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

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Temple Grove Academy	47,253	47,223

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
Nicola Denoon Duncan	Remuneration	30,000-35,000	0-5,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL to 0 Trustees).

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.

16. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2017	4,696,565	71,837	67,820	10,000	4,846,222
Additions	401,683	11,263	7,078	-	420,024
Disposals	-	-	-	(10,000)	(10,000)
At 31 August 2018	5,098,248	83,100	74,898	-	5,256,246
Depreciation					
At 1 September 2017	420,128	27,723	48,947	4,000	500,798
Charge for the year	101,965	7,184	6,833	-	115,982
On disposals	-	-	-	(4,000)	(4,000)
At 31 August 2018	522,093	34,907	55,780	-	612,780
Net book value					
At 31 August 2018	4,576,155	48,193	19,118	-	4,643,466
At 31 August 2017	4,276,437	44,114	18,873	6,000	4,345,424

TEMPLE GROVE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STOCKS

	2018 £	2017 £
Uniform stock	1,871	3,365

18. DEBTORS

	2018 £	2017 £
Trade debtors	1,800	5,600
VAT recoverable	12,305	91,596
Other debtors	35,187	28,867
Prepayments and accrued income	39,320	43,616
	88,612	169,679

19. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	12,170	12,731
Other creditors	44,584	28,867
Accruals and deferred income	25,168	22,234
	81,922	63,832

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	15,550	15,004
Resources deferred during the year	25,168	15,550
Amounts released from previous years	(15,550)	(15,004)
Deferred income at 31 August 2018	25,168	15,550

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS- CURRENT YEAR

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	136,373	40,953	(11,432)	-	-	165,894
Restricted general funds						
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 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>
Restricted fixed asset funds						
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)	-	-
	<u>4,368,546</u>	<u>390,104</u>	<u>(121,982)</u>	<u>6,798</u>	<u>-</u>	<u>4,643,466</u>
Total restricted funds	<u>3,821,078</u>	<u>1,701,453</u>	<u>(1,672,359)</u>	<u>-</u>	<u>203,000</u>	<u>4,053,172</u>
Total of funds	<u>3,957,451</u>	<u>1,742,406</u>	<u>(1,683,791)</u>	<u>-</u>	<u>203,000</u>	<u>4,219,066</u>

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

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

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

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS- CURRENT YEAR (continued)

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 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. Funding received for Special Educational Needs is also recognised within Local Authority Grants. These funds are to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

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 Other activities fund has been established to recognise all other restricted funding that cannot be classified above but fall outside the scope of its core activities.

The LGPS deficit (pension reserve) fund represents the pension deficit inherited from the Local Authority upon conversion to Academy Trust 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.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS- CURRENT YEAR (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Temple Grove Academy	127,884	185,513
Temple Grove Academy Trust	66,716	144,392
Total before fixed asset fund and pension reserve	<u>194,600</u>	<u>329,905</u>
Restricted fixed asset fund	4,643,466	4,368,546
Pension reserve	(619,000)	(741,000)
Total	<u><u>4,219,066</u></u>	<u><u>3,957,451</u></u>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Temple Grove Academy	891,587	103,764	93,046	273,840	1,362,237	1,368,581
Temple Grove Academy Trust	-	-	-	124,572	124,572	98,589
	<u>891,587</u>	<u>103,764</u>	<u>93,046</u>	<u>398,412</u>	<u><u>1,486,809</u></u>	<u><u>1,467,170</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS- CURRENT YEAR (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
Unrestricted funds	109,965	41,054	(14,646)	-	-	136,373
Restricted general funds						
General Annual Grant (GAG)	334,885	943,111	(1,260,350)	-	-	17,646
Pupil Premium	-	123,610	(64,121)	-	-	59,489
Other DfE/ESFA Grants	-	53,432	(10,520)	-	-	42,912
SEN Income	-	40,994	(40,994)	-	-	-
Local Authority Grants	-	69,560	(1,250)	-	-	68,310
Other Government Grants	-	21,730	(21,730)	-	-	-
TGST Enrichment Grant	-	24,700	(20,592)	-	-	4,108
School Trips	-	8,525	(7,458)	-	-	1,067
Other restricted funds	-	25,509	(25,509)	-	-	-
Pension reserve	(956,000)	-	(88,000)	-	303,000	(741,000)
	<u>(621,115)</u>	<u>1,311,171</u>	<u>(1,540,524)</u>	<u>-</u>	<u>303,000</u>	<u>(547,468)</u>
Restricted fixed asset funds						
NBV of fixed assets	4,450,490	-	(115,679)	10,613	-	4,345,424
Other capital grants	24,143	9,592	-	(10,613)	-	23,122
Total restricted funds	<u>3,853,518</u>	<u>1,320,763</u>	<u>(1,656,203)</u>	<u>-</u>	<u>303,000</u>	<u>3,821,078</u>
Total of funds	<u><u>3,963,483</u></u>	<u><u>1,361,817</u></u>	<u><u>(1,670,849)</u></u>	<u><u>-</u></u>	<u><u>303,000</u></u>	<u><u>3,957,451</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	109,965	82,007	(26,078)	-	-	165,894
Restricted general funds						
General Annual Grant (GAG)	334,885	1,888,164	(2,187,545)	(6,798)	-	28,706
Pupil Premium	-	253,082	(253,082)	-	-	-
Other DfE/ESFA Grants	-	75,682	(75,682)	-	-	-
SEN Income	-	71,829	(71,829)	-	-	-
Local Authority Grants	-	108,087	(108,087)	-	-	-
Other Government Grants	-	70,477	(70,477)	-	-	-
TGST Enrichment Grant	-	43,110	(43,110)	-	-	-
School Trips	-	16,980	(16,980)	-	-	-
Other restricted funds	-	95,109	(95,109)	-	-	-
Pension reserve	(956,000)	-	(169,000)	-	506,000	(619,000)
	(621,115)	2,622,520	(3,090,901)	(6,798)	506,000	(590,294)
Restricted fixed asset funds						
NBV of fixed assets	4,450,490	-	(237,661)	430,637	-	4,643,466
Other capital grants	24,143	396,728	-	(420,871)	-	-
Other capital donations	-	2,968	-	(2,968)	-	-
	4,474,633	399,696	(237,661)	6,798	-	4,643,466
	3,853,518	3,022,216	(3,328,562)	-	506,000	4,053,172
Total of funds	3,963,483	3,104,223	(3,354,640)	-	506,000	4,219,066

TEMPLE GROVE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT 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)
	<u>165,894</u>	<u>(590,294)</u>	<u>4,643,466</u>	<u>4,219,066</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	4,345,424	4,345,424
Current assets	136,373	257,364	23,122	416,859
Creditors due within one year	-	(63,832)	-	(63,832)
Defined benefit pension scheme liability	-	(741,000)	-	(741,000)
	<u>136,373</u>	<u>(547,468)</u>	<u>4,368,546</u>	<u>3,957,451</u>

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	58,615	(309,032)
Adjustment for:		
Depreciation charges	115,982	115,679
Investment income	(111)	(831)
Loss on the sale of fixed assets	6,000	-
Decrease/(increase) in stocks	1,494	(699)
Decrease/(increase) in debtors	81,067	(14,326)
Increase/(decrease) in creditors	18,090	(10,484)
Capital grants from DfE and other capital income	(390,104)	(6,624)
Defined benefit pension scheme cost less contributions payable	62,000	67,000
Defined benefit pension scheme finance cost	19,000	21,000
Net cash used in operating activities	<u>(27,967)</u>	<u>(138,317)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	186,039	243,815
Total	<u>186,039</u>	<u>243,815</u>

24. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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24. PENSION COMMITMENTS (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £58,000 (2017 - £55,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £74,000 (2017 - £74,000), of which employer's contributions totalled £57,000 (2017 - £57,000) and employees' contributions totalled £17,000 (2017 - £17,000). The agreed contribution rates for future years are 20.1% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
RPI increases	3.30 %	3.60 %
Inflation assumption (CPI)	2.30 %	2.70 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2018	2017
Retiring today		
Males	23.1	23.0
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

TEMPLE GROVE ACADEMY TRUST
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24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	634,000	578,000
Gilts	7,000	6,000
Other bonds	83,000	79,000
Property	115,000	101,000
Cash and other liquid assets	28,000	26,000
Absolute return fund	63,000	32,000
Total market value of assets	<u>930,000</u>	<u>822,000</u>

The actual return on scheme assets was £38,000 (2017 - £120,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(119,000)	(124,000)
Interest income	22,000	16,000
Interest cost	(41,000)	(37,000)
Total	<u>(138,000)</u>	<u>(145,000)</u>
Actual return on scheme assets	<u>38,000</u>	<u>120,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,563,000	1,654,000
Current service cost	119,000	124,000
Interest cost	41,000	37,000
Employee contributions	17,000	17,000
Actuarial gains	(187,000)	(265,000)
Benefits paid	(4,000)	(4,000)
Closing defined benefit obligation	<u>1,549,000</u>	<u>1,563,000</u>

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24. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	822,000	698,000
Interest income	22,000	16,000
Actuarial losses	16,000	38,000
Employer contributions	57,000	57,000
Employee contributions	17,000	17,000
Benefits paid	(4,000)	(4,000)
Closing fair value of scheme assets	930,000	822,000

25. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	1,451	1,170
Between 1 and 5 years	2,340	-
Total	3,791	1,170

26. 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.

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook 2017 and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, the Trust received £33,410 (2017 - £24,700) and incurred costs of £nil (2017 - £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.