

Twynham Learning

(A company limited by guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2019

Company Registration number: 07565088 (England and Wales)



Twynham Learning

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Reference and Administrative Details

Members	Mr Julian Burton Mrs Debra Martin (appointed 3 September 2018) Mr Robin Shonfeld (appointed 1 September 2019) Mr Doug Croucher (appointed 25 April 2019) Mrs Deborah Place (resigned 24 April 2019) Mr John Sephton (resigned 9 May 2019)
Trustees (Directors)	Mr Doug Croucher, Chair (from 25 April 2019) Mrs Lynda Clarke, Vice Chair (from 1 September 2019) Mrs Gaynor Brown Mrs Alison Curtis Mr Michael Turvey Mr Gareth Morris (appointed 1 September 2018) Mr Bernard Bhukal (appointed 15 November 2018) Mr Matthew Buckey (appointed 15 November 2018) Mrs Arline Sperryn-Jones (appointed 15 November 2018 and resigned 31 August 2019) Mrs Deborah Place (resigned 24 April 2019) Mr Robin Shonfeld (resigned 31 August 2019)
Chief Executive Officer	Mr Gareth Morris, Accounting Officer from 1 September 2018
Company Secretary	Mrs Heather Watson
Principal	Mr Jy Taylor, Accounting Officer from 1 September 2017 to 31 August 2018
Senior Management Team	Mrs Chris Stafford, Chief Operating Officer Mr Darren Barton, Director of Standards Mrs Arline Sperryn-Jones, Director of Finance & Business (from September 2019)
Principal and Registered Office	Twynham School Sopers Lane Christchurch Dorset BH23 1JF
Company Registration Number	07565088
Independent Auditors	PKF Francis Clark Statutory Auditor

Twynham Learning

Trustees' Report for the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates six academies for pupils aged 4 to 19 serving a catchment area in Christchurch and Bournemouth. For Years R to 11 it has a PAN of 3,466 and had a roll of 3,262 in the school census taken in October 2019. There were also 413 students in post-16 provision at the October census.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of the Twynham Learning Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Twynham Learning.

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

Members' Liability

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

Trustees' Indemnities

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Trustees in the form of the Government's Risk Protection Arrangement, which provides unlimited employer's liability, unlimited third party public liability and unlimited professional indemnity.

Method of recruitment and appointment or election of Trustees

The Members are responsible for the appointment of up to nine Trustees and further Trustees can be co-opted by the Trustees in office at the time. Details of the Members who served during the year are included in the Reference and Administrative Details on page 1. The term of office of any Trustee or Local Governor is four years.

The outcome of skills audits undertaken regularly by the Clerk is used to identify desirable skills or experience, and this information is used when advertising for new Trustees (or Local Governors).

Twynham Learning

Trustees' Report for the Year Ended 31 August 2019 (continued)

Policies and procedures adopted for the induction and training of Trustees

An induction procedure is in place within the Academy Trust, as part of which all new Trustees will meet with the Chair of Trustees and the CEO to discuss the role. An extensive induction pack is provided. Governor training is a regular agenda item and all new Trustees and Local Governors are encouraged to attend new governor training organised by Dorset Governor Services. Additional specialist training is sought for Trustees and Local Governors with specific responsibilities linking to child protection and special educational needs, as well as those volunteering to sit on panels to review exclusions or other disciplinary matters. Trustees and Local Governors are kept updated with changes in education through regular updates and training sessions provided by Governor Services and through the Dorset Governor publication, as well as through a subscription to the National Governors' Association and to The Key. The Clerk undertakes a regular review of training and seeks to organise local training sessions where a need is identified.

Organisational Structure

The Twynham Learning Multi-Academy Trust currently consists of six schools, all of which are governed by the Members and the Board of Trustees of Twynham Learning. A CEO (who is also the Accounting Officer) was appointed in September 2018 and the post of Chief Operating Officer was filled in January 2019. The Director of Standards was appointed in September 2018.

The Board of Trustees had two sub-committees; the Staffing Committee and the Resources & Audit Committee. Both committees met at least once each term. The CEO/Accounting Officer, Chief Operating Officer and other members of the Executive Leadership Team attend committee meetings, as appropriate. For September 2019 three main committees of the main Board were set as Resources (including Staffing), Outcomes and Audit although this is likely to evolve in 2020 to more regular Board meetings with both standard and periodic agenda items.

The Trustees delegate governance functions to the Local Advisory Boards and different levels of delegation exist for sponsored and non-sponsored academies. Academies which are not sponsored have most functions delegated to them whereas sponsored academies have functions delegated in proportion to their stage of development.

Underpinning the membership arrangements of the Board of Trustees and the Local Advisory Board is a formal memorandum, the Scheme of Delegation, which describes the respective roles and accountabilities of each body in respect of strategic responsibilities, governance, finance and asset management, staffing, communications, monitoring and evaluation, students, curriculum, teaching and learning and communities.

The Local Advisory Boards are responsible to the Twynham Learning Board of Trustees for the performance of their schools and are held to account by the Twynham Learning Board. Monitoring processes are in place and, in the case of underperformance of a Local Advisory Board, the Twynham Learning Board will intervene and has reserved the right to suspend the Board and/or to discuss and appoint Local Advisory Board members.

With the continued growth of the Multi-Academy Trust the Chairs' Advisory Group (CAG) was formed. The chairs of the Twynham Learning Local Advisory Boards will meet at least once per term and act as the main link between the Board of Trustees and the Local Advisory Boards. Examples of discussion items will be the composition, membership, structure and terms of reference of the Local Advisory Boards, arrangements for the recruitment and selection of governors, succession planning, whether schools are meeting their agreed targets and how schools are managing their finances. The Chairs' Advisory Group is represented on the Board via the Chair of Trustees who also chairs CAG.

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Trustees' Report for the Year Ended 31 August 2019 (continued)

The Headteachers of the schools within the Academy Trust will also meet at least once per term as the Executive Leadership Team (ELT) and, via the CEO, act as the main link between the Board of Trustees and senior leadership teams. Under the professional leadership of the CEO and the Director of Standards and, through their Self-Improving Schools System (SISS) Board, they drive the improvement agenda across the community of schools and ensuring that strategic and operational leadership is consistent and coherent across the academies. Representatives from ELT will attend meetings of the full board as required to provide information to Trustees on the performance of academies including the quality of teaching, standards, performance data, and student issues including attendance, exclusions, punctuality and disciplinary matters, as well as school development plans. The Director of Standards leads on pupil outcomes and the associated performance information is set out in the School on a Page (SOAP) and Trust on a Page (TOAP) and informed by a structured termly review programme. This information is shared with the Outcomes Committee for recommendation to be made. The Director of Standards has been supporting the Trustees' work to achieve improved pupil outcomes at The Grange School by being at the school for two days each week, working alongside the SLT.

Terms of reference for the Members, the Board of Trustees, the Chairs' Advisory Groups and all committees of the Trust Board have been agreed by the Trustees and are fully documented, as are the agreed lines of accountability and leadership within the Trust's schools.

The Board of Trustees meets once each half-term and is responsible for maintaining strategic oversight, setting visions and policies for the Academy Trust, overseeing standards and outcomes across the Trust, setting annual targets for individual academies and overseeing key performance data on a Trust and individual academy basis. Some aspects of the Academy Trust's business have been delegated to committees, as below.

The Trustees' Resources Committee, attended by the CEO/Accounting Officer and the Chief Operating Officer, meets at least once every term and maintains oversight of the finances of the Academy Trust, establishes a funding model for use across the Trust, ensures compliance with the Academies Financial Handbook, and reviews, adopts and monitors financial policies as required. The committee also considers and makes recommendations on risk management, internal control and the value for money framework, as well as matters relating to the premises and business continuity plan, reporting its findings to the Board of Trustees. The committee is responsible for advising the Board of Trustees on an appropriate programme of work to be delivered by independent assurance providers, receiving reports from the external auditor, internal auditor and other bodies, maintaining transparency and openness of communication at all times. The Staffing Committee is now part of the Resources Committee which is the primary focal point for the consideration of all issues relating to the management of staff within the Academy Trust.

The Board of Trustees has delegated certain aspects of business to the Local Advisory Boards of schools within the Academy Trust, whereby the level of delegation varies from school to school and depends on whether the school is sponsored or not. The Local Advisory Board of a non-sponsored school is permitted to set up such committees as it deems necessary to perform its functions efficiently and effectively. Model terms of reference are provided for the Local Advisory Board to adopt if they wish, for Resources, Curriculum and Student Welfare Committees. The Local Advisory Board of a sponsored school will have Key Governors instead of committees, who will report directly to the Board of Trustees. This structure is designed to focus the work of the Local Advisory Board on what matters - the quality of teaching, the standards achieved by the students and the monitoring of the school's budget. The scheme of delegation is documented clearly for all schools within the Academy Trust.

Each academy within the Trust has its own Senior Leadership Team (SLT), led by its Headteacher, and these SLTs are accountable to their own Local Advisory Board.

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Trustees delegate the day-to-day management operations of the Academy Trust to the CEO/Accounting Officer. In order to facilitate effective operations, the CEO/Accounting Officer has delegated authority within terms approved by the trustees for operational matters, including educational, finance and employment matters.

Trade union facility time

Twynham Learning buys in Trade Union facilities for all schools within the MAT at a cost of £3,733 for the academic year 2019/20. This provides first line advice and support, casework undertaken whether individual or groups of members, training and development at local and national level, represent members in formal consultation in the event of redundancy/restructure and TUPE, represent members in collective bargaining where there are proposals to change contractual terms and conditions, and in collective negotiation and consultation with schools.

At the time of writing this report, there was no member of Twynham Learning staff known to be undertaking a recognised Union Official role.

Arrangements for setting pay and remuneration of key management personnel

The arrangement for the setting of pay for the Academy Trust's key management personnel are based on the Trust's pay policy which is informed by the DfE's School Teachers' Pay and Conditions statutory guidance. Remuneration is benchmarked against other schools of a similar size.

In relation to the pay of the CEO/Accounting Officer, a committee is formed comprising two Trustees with extensive performance management experience (one of whom is an Education Specialist). The CEO is required to present a comprehensive self-evaluation report prior to the Performance Review meeting, clearly stating evidential outcomes to the objectives set twelve months previously. Pay is discussed in the absence of the CEO, once all evidence has been collated and recorded. Consideration is given to outcomes to set objectives, performance throughout the Academy Trust, professional development including leadership and membership of educational bodies, length of service, and market forces.

Objectives and Activities

Objects and Aims

Each student is highly valued, whether academically or vocationally inclined; students are helped to flourish and excel. High standards are expected and only the very best behaviour, attitudes and learning are acceptable. Mutual respect is enjoyed where every member of the Twynham Learning community is important and appreciated. Our students discover that it is possible to enjoy their school years and leave with tremendous prospects.

We are proud of our students and their achievements and we have a deep commitment to excellence and to providing an educational experience that is exceptional. We not only want our young people to excel in the various measures used for external accountability, but we strive to help them develop into sensible and confident young adults.

The Trust's caring culture is fundamentally important to us and it is this, combined with our high quality teaching and learning, together with the vast array of other opportunities, which enables our students to be so successful.

Twynham Learning

Trustees' Report for the Year Ended 31 August 2019 (continued)

Objectives, Strategies and Activities

The direction for the Trust's main objectives and activities is driven by the Twynham Learning 2020 Strategy. The strands of work are:

1. Strategic Development of Community
 - a. Profile and Identity
 - b. Community Engagement
 - c. Wider System Leadership
2. Strategic Development of Teaching and Learning Outcomes
 - a. Outcomes
 - b. Curriculum
 - c. Standards
 - d. Provision
3. Strategic Development of Leadership and Governance
 - a. Leadership and Governance
 - b. Resources – Policy, Personnel and Finance
 - c. Business Growth

Within this strategic framework, each academy has autonomy to focus on its individual areas of need for development. Each academy formulates its own School Development Plan in discussion with senior leaders as well as the Local Advisory Board and ultimately the Trustees.

Public Benefit

The Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

The Trust offers considerable public benefit through its role as a provider of education and the links it has developed with the local community. Community groups use the Trust facilities and are charged nominal fees to cover running costs.

The Trust also works closely with a range of local schools, beyond the organisational definition of Twynham Learning. In particular, the work of Two Rivers Institute in providing both initial teacher training and ongoing CPD opportunities is supporting a large number of schools in the region and is highly regarded as a training provider of choice. Over twenty local schools are actively engaged in partnership working to deliver development opportunities for their staff.

Alongside this, Twynham Learning leads the Christchurch Learning Federation, a soft partnership of local schools, which has successfully bid for external funding to support multi-agency working within health and social care, whilst also providing parenting courses. Even the costs of the materials for these courses is heavily subsidised and free to families in need.

Another specific example would be through the continued use of an SSCO (Sports Co-ordinator) at The Grange School through whom sports sessions and events are provided to over 2,000 primary students in the local area.

Twynham Learning

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Achievements and Performance

Key Performance Indicators

The number of students on roll within the Trust is approximately 3,675 for the academic year 2019-20. This, from the autumn 2019 pupil census is broken down into:

Twynham School: 1,342 age 11-16 and 399 post-16

Grange School: 370 age 11-16 and 14 post-16

Twynham Primary School: 215

Christchurch Junior School: 502

Stourfield Infant School: 353

Stourfield Junior School: 480

Attendance across the Trust in the summer term of 2019 was as follows:

Twynham School: 6.5% authorised absences and 2.2% unauthorised

Grange School: 6.7% authorised absences and 5.7% unauthorised

Twynham Primary School: 2.3% authorised absences and 2.0% unauthorised

Christchurch Junior School: 2.5% authorised absences and 1.2% unauthorised

Stourfield Infant School: 2.1% authorised absences and 1.0% unauthorised

Stourfield Junior School: 2.6% authorised absences and 1.0% unauthorised

Pupil Outcomes

The academic year 2018/19 saw further improvements in outcomes for Twynham Learning pupils with clear signs of improvement evident across each of the six schools. Notable successes were higher proportions of pupils attaining the expected standard in reading, writing and mathematics at both Christchurch Junior School and Stourfield Junior School and improved progress 8/attainment figures at Twynham School. Twynham Primary School was judged to be a 'good' school in its first Ofsted inspection in May 2019 and The Grange School enjoyed a very positive section 8 monitoring visit in November 2019 where the visiting HMI judged that the "leadership and management are taking effective action towards the removal of serious weaknesses."

The Trust continues to challenge and support each of the six schools to improve the educational outcomes for the pupils in its care. There is a robust school improvement strategy in place with each school having a full Autumn Term Review completed by the Trust. This is supported both by the Self Improving School System (SISS) Board and the Teaching School which has recently been re-designated as Two Rivers Institute.

In relation to pupil recruitment most schools within the Trust remain heavily subscribed, however, the impact of the Ofsted inspection and an increase in pupils admitted to Highcliffe School (significantly above PAN) are being felt by lower than expected pupil numbers at The Grange School.

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.

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Financial Review

The Academy Trust generated a deficit of £1,423,000 before gains and transfers in the Restricted General Funds. This deficit is after adjusting for £1,582,000 of service, interest and administrative costs on the FRS102 pension scheme as shown in note 21.

Funding continues to be a challenge for all educational establishments and, to enable the Trust to meet these challenges, Trustees have worked with the Trust Executive Team to further continue rationalisation work on the staffing structure and curriculum, whilst still delivering high quality teaching and support services across the Trust.

The principal source of funding for the Trust continues to be funds received from the Department for Education. Resource across the Trust have been tightly managed to ensure maintained delivery of a high quality provision despite low per pupil funding. Significant work has been delivered at The Grange School to improve the environment and outcomes for students there, but the school has still delivered a large in year deficit due to declining pupil numbers. The Trust uses benchmarking and Integrated Curriculum Financial Planning to inform budget planning and performance within the year.

Access to capital funds has enabled key infrastructure work to be undertaken across the Trust. The main items included in this accounting period relate to the relocation of the Early Years provision at Stourfield Infant School, dramatically improving the environment for new pupils, and changes to the entrance and car parking arrangements at Twynham School, making the site more secure and reducing risk from a Safeguarding perspective.

Trustees regularly review the financial policies and ensure they reflect and support current practice. Key financial policies are:

- Financial Procedures Policy - last reviewed November 2019
- Charging & Remission Policy - last reviewed October 2017; scheduled for November 2019
- Debt Recovery Policy - last reviewed October 2017; scheduled for November 2019
- Depreciation Policy - last reviewed October 2017; scheduled for November 2019
- Anti-Fraud and Corruption Policy - last reviewed June 2019 (next due June 2021)
- Gifts & Hospitality Policy - last reviewed October 2017; scheduled for November 2019
- Lettings Policy - last reviewed July 2019 (next due June 2021)
- Reserves & Investment Policy - last reviewed June 2018; scheduled for November 2019
- Whistle Blowing Policy - last reviewed August 2019 (next due June 2021)

Currently the pension liability is £9,441,000.

Current projections for the year ended 31 August 2020 indicate that Trust will deliver an in-year surplus.

Robust budget-planning processes and clear management reporting during the year are practical demonstrations of the prudent forward-looking approach which is essential to ensure all schools within the Trust continue to be going concerns.

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Reserves Policy

The balance sheet shows the Academy Trust having £1,991,000 cash at bank and in hand. The true amount of assets currently held by the Trust amount to £999,000.

Due to its size, the Trust benefits from the formula funded School Condition Allocation. In the accounting period the Trust was allocated £625,367.

Trustees are mindful that there is no reserve in respect of the pension deficit on the Dorset County Council pension's scheme.

Investment Policy

The Chief Operating Officer and Director of Finance & Business are responsible for monitoring cash flow forecasts to ensure the Trust has sufficient funds available to pay for day to day operations. They meet regularly with the CEO/Accounting Officer to share this information and agree actions. Trustees also regularly monitor cash flow reports and forecasts produced by the Director of Finance & Business to ensure that commitments are fully covered.

If the cash flow identified a base level of cash funds that would be surplus to requirements then these would be invested in interest bearing deposit accounts with a major UK regulated bank.

Should funds be invested, then the Chief Operating Officer and Director of Finance & Business will regularly review the interest rates being achieved.

Levels of reserves and balances will be monitored termly and details notified to the Trustee Resources Committee. The actual level of reserves is included in the year end annual report and financial statements.

Principal Risks and Uncertainties

The Trustees have an established procedure in place for ensuring risk awareness and management remain a priority within the Academy Trust. Key risks facing all schools within the Academy Trust are levels of funding as we work towards the national funding formula and the recruitment and retention of high quality teachers. The additional potential risk resulting from government funding is being monitored, but alongside this is the more localised risk to funding posed by local Government re-organisation. The new Schools Forum group remains a 'shadow' group currently and the new authority will be facing a deficit within its High Needs block. Negotiations between the Shadow Authority and the Shadow Schools Forum are continuing but there is no certainty around budget allocations for the 2019/20 academic year.

Trustees are continuing to work with the Executive Leadership Team to support the excellent work being undertaken at The Grange School to increase student numbers.

Business Continuity plans are in place and are monitored to ensure their continued effectiveness, should a need arise for them to be actioned.

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

The risk management register is reviewed on a termly basis by Local Advisory Boards, governor committees and key members of staff identified within the register, ensuring that risks are identified at the appropriate level. Key committees and members of staff are asked each term by the Clerk to monitor those elements of the risk register relevant to them and to feed back any comments for consideration by the Trustees' Resources Committee.

In addition to the risk register and business continuity management plan, key controls used by the Academy Trust to mitigate identified risks are:

- Formal agendas and terms of reference for all committee meetings. Standing agenda items for all committees in addition to current agenda items. For example, review of risk register is a standing agenda item.
- Comprehensive strategic planning, budgeting and management accounting undertaken by an experienced and qualified team comprising of Trustees, Leadership Team, Curriculum Planners and MAT Director of Finance & Business.
- Established organisational structures and lines of reporting which are reviewed regularly
- Formal written policies with a published cycle of review. All staff are notified when a policy has been reviewed and signposted to the staff gateway.
- Suitable accounting policies and internal financial control measures which are informed through the principles of best practice.
- Authorisation and approval levels with clear segregation of duties.
- Formulaic monitoring of the necessary health and safety checks undertaken regularly with LAB Health and Safety representative and the Executive Facilities Manager.
- Moore Stephens were engaged during this accounting period to undertake the role of Responsible Officer on behalf of the Academy Trust and to provide assurance on an ongoing basis that the financial responsibilities of Trustees are being properly discharged, that resources are managed in an efficient, economical and effective manner, that sound systems of internal financial control are being maintained and that financial considerations are fully taken into account when reaching decisions.

Fundraising

Trustees are mindful of the need to source income from other avenues and with this in mind have charged key Trustees and the CEO to increase income. During the year 2018-19, a childcare facility has been opened within the Twynham Primary School site. Planning is also underway for the evolution of the Two Rivers Institute, with its local role delivering Initial Teacher Training and Continuing Professional Development.

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Plans for Future Periods

Ethos and culture are at the very core of Twynham Learning and the need to provide high quality education to all the children within our community is essential. To enable this to happen, the Strategic Plan and associated budget prioritise resources and support the delivery of outstanding teaching in all of our schools.

Maintaining the fabric of the schools is essential and the Executive Facilities Manager supports the schools with their maintenance and development plans in addition to ensuring all the schools are health and safety compliant. Regular audits of the sites are undertaken by the Executive Facilities Manager and our H&S provider and a Trust-wide Facilities audit was carried out, to be reviewed in autumn 2019. This is supplemented by regular inspections of the sites by the Executive Facilities Manager and key Trustees. Priorities are agreed within strategic capital programme to address basic need provision within all the schools in the MAT.

In conjunction with the Regional Schools Commissioner the Trust continues to consider appropriate and strategic growth. The CEO, in conjunction with the Trustees, has this in mind in his ongoing consideration of structure for executive leadership of the Trust.

Trustees and the CEO are further expanding on the MAT Strategy, making plans for beyond 2020.

Funds Held as Custodian Trustee on Behalf of Others

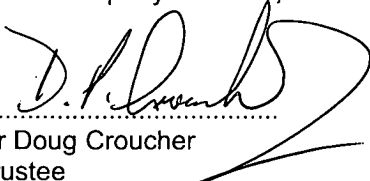
The Academy Trust does not act as custodian trustee on behalf of any other body.

Auditor

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 27/11/19 and signed on the board's behalf by:


.....
Mr Doug Croucher
Trustee

Twynham Learning

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Twynham Learning 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 Mr Gareth Morris, 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 Twynham Learning 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 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Julian Burton	1	1
Mrs Debra Martin	0	1
Mr Robin Shonfeld	4	6
Mr Doug Croucher	5	6
Mrs Deborah Place	2	3
Mr John Sephton	0	4
Mrs Lynda Clarke	5	6
Mrs Gaynor Brown	5	6
Mrs Alison Curtis	4	6
Mr Michael Turvey	4	6
Mr Gareth Morris	5	6
Mr Bernard Bhukal	2	5
Mr Matthew Buckey	5	5
Mrs Arline Sperryn-Jones	5	5

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Governance Statement (continued)

The **Resources & Audit Committee** is a sub-committee of the main Board of Trustees. Its purpose is to oversee financial matters, health and safety, and maintenance of the school sites within the Academy Trust, establish a funding model for use across the Trust, ensure compliance with the Academies Financial Handbook, and review, adopt and monitor financial policies as required. The committee also considers and makes recommendations on risk management, internal control and the value for money framework, as well as matters relating to the premises and business continuity plan, reporting its findings to the Board of Trustees and the Accounting Officer. The committee is responsible for advising the Board of Trustees on an appropriate programme of work to be delivered by independent assurance providers, receiving reports from the external auditor, internal auditor and other bodies, maintaining transparency and openness of communication at all times.

The decision to merge the Audit and Resource Committees was agreed by Trustees with knowledge of the change within the Academies Financial Handbook allowing for a joint provision for a MAT the size of Twynham Learning. Due to governance membership, it was decided at Board level that the consolidation of the committees would ensure quorate attendance at every meeting. This decision also strengthened the financial expertise of the joint committee ensuring the optimum challenge and support. The committee met a total of five times during the period of audit. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Robin Shonfeld	4	4
Mr Doug Croucher	2	4
Mrs Lynda Clarke	4	4
Mr Michael Turvey	4	4
Mr Gareth Morris	3	4
Mr Matthew Buckey	1	3
Mrs Arline Sperryn-Jones	2	3

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Governance Statement (continued)

Governance reviews

Skills Audits are undertaken by the Clerk for the Board of Trustees and for each separate Local Governing Body, and these are updated at regular intervals. Reviews are also undertaken on a regular basis of training completed and a review of financial competencies is also undertaken annually for key trustees and members of the resources committees, as well as for key members of staff. The outcome of both skills audits and financial competencies are discussed by trustees and used to decide upon key skills to be sought when making new governor appointments. One governor has responsibility for governor training, liaising with Governor Services, reviewing training undertaken and identifying any gaps. Where it is recognised that a number of governors would benefit from a particular training session then where possible it is arranged for the training to be offered locally.

Annual review of governance is a standing agenda item for the Board of Trustees during the summer term. At this meeting trustees will review the committee structure, membership and terms of reference for all committees and will consider the appointment of LGB chairs and vice chairs for the upcoming year, as well as the appointment of committee chairs for the Staffing and Resources & Audit committees. They will also review the scheme of delegation and the appointment of key governors.

During this accounting period, Twynham Learning employed the services of Moore Stephens (South) LLP to undertake the role of responsible officer and to provide assurance to the Board of Trustees that the financial responsibilities of the Governing Body are being properly discharged, that resources are managed in an efficient, economical and effective manner, that sound systems of internal financial control are being maintained, and that financial considerations are fully taken into account when reaching decisions. No major issues were identified during this period and recommendations made by internal auditors in their final report were either already in place, or have since been implemented.

Review of Value for Money

The accounting officer 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:

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Governance Statement (continued)

Principles

- Trustees, Local Governors and the Senior Leadership teams are provided with regular reports to enable them to monitor and hold to account the finances of the Academy Trust. These reports are used to make informed decisions about the best use of the resources of the Academy Trust.
- The Scheme of Delegation is reviewed and ratified regularly. The last review was undertaken in the summer of 2019 and a version authorised by Trustees in October, albeit that the document needs further additions to reflect new Terms of Reference for Trustee committees.
- The Risk Register for Twynham Learning is reviewed on a termly basis by the Trustees' Resources & Audit Committee, the Local Governing Body of each school within the Trust and nominated persons and committees.
- In addition to external auditors, the Trust employed Moore Stephens to take on the role of Responsible Officer and check the internal controls of the Academy Trust. The Trustees continue to believe this gives a robust, professional approach to the internal audit programme which ensures transparency and accountability. The reports were submitted to the Chair of the Trustees' Resources and Audit Committee, the Chair of Trustees, the CEO/Accounting Officer and the MAT accountant, and were then reviewed at the next meeting of the Trustees' Resources and Audit Committee. During the year 2018-2019, the internal audit programme for the Academy Trust focussed on internal controls regarding: purchase process testing & best value confirmation, IR35 review, expenses process, credit card process, payroll procedures, gifts & hospitality policy, census returns, school trip accounting.
- The Academy Trust continues to adhere to the good practice within the Financial Procedures Policy which, following advice from Moore Stephens, has been reviewed and ratified by Trustees and, after further updates, is due for presentation by Trustees in November 2019. Robust internal controls are in place to ensure that all order requests are approved within the delegated authority as set out in the Financial Procedures Policy.
- The Multi Academy Trust keeps all staff informed about the challenges it faces with continuing cuts in education funding. As the Trust plans and works towards the implementation of the national funding formula it works with curriculum leaders and support staff representatives to maximises the use of available resources.
- The Trust reviewed Teaching & Support staff structures to enable significant efficiencies to be achieved. It seeks to demonstrate best value in every aspect of resource management.
- A Best Value Statement is completed by budget holders for any orders over £5,000. Orders over £10,000 must have a completed Best Value Statement together with three competitive quotations. Trustees have undertaken their annual review of all service level agreements and have agreed a service level agreement with Dorset Local Authority Procurement Services for 2019/20. This enables the Multi Academy Trust to benefit from the expertise of this department in addition to accessing 'economies of scale' for contracts. Tendering for contracts, where required, is also administered by the procurement services on behalf of the Multi Academy Trust. The service level agreement includes the ongoing monitoring of the catering contract to ensure that quality and value are maintained at schools within the Academy Trust.
- Planning for the opening of the childcare facility located at Twynham Primary School was on target with a September 2019 opening achieved. The CEO/Accounting Officer and Trustees continue to seek other business opportunities to offer value for money and/or generate income.
- Following a robust procurement process, a Trust-wide catering contract was awarded to provide all children in the Trust with a quality meal at lunchtime. The Trust is now reviewing the options to introduce a hot-food offer at Stourfield Infant School.

Twynham Learning

Governance Statement (continued)

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 Twynham Learning from the date of conversion, 1 April 2011 and up to the date of approval of the annual report and financial statements.

All schools within the Academy Trust are subject to the same levels of internal control. Advice and support is available from Moore Stephens who are engaged in the Responsible Officer role. Their audit of internal controls by their professional and experienced team ensure that Trustees are confident in the systems in place at all the schools within the Academy Trust.

Capacity to Handle Risk

The Board of Trustees has undertaken an initial review of the major risks to which the Academy Trust is exposed. 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 ending 31 August 2019 and up to the date of approval of the annual report and financial statements.

This process is regularly reviewed by the Board of Trustees. A Risk Register for Twynham Learning is reviewed on a termly basis by the Trustees' Resources & Audit Committee and the Local Governing Body of each school within the Trust and nominated persons and committees.

The Risk and Control Framework

Twynham Learning'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.

The key components of the framework include:

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are reviewed and agreed by the trustees;
- the development of the reporting system to include cash flow forecasting, more detailed explanation of balance sheet items, and a new report showing actual vs budget at a more granular level, with explanations of any variances, as advised by our auditors;
- regular reviews by the Resources Committee at both trustee and LGB level 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;
- regular benchmarking against other educational establishments
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Detail of all risk and control is contained within the Financial Procedures Policy.

Twynham Learning

Governance Statement (continued)

Moore Stephens have worked effectively with Trustees and staff and have been engaged as internal auditor for a further accounting period.

The Trustees agreed a programme with the internal auditors to include a robust checking of the Academy Trust's financial systems and internal controls in all of the schools. A written report is provided for the Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of Effectiveness

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

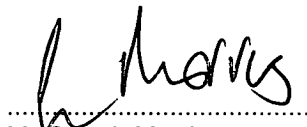
- the work of the Resources/Audit Committees at Trustee and LGB level
- the work of the external and internal auditors;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance 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 Audit and Resources Committee.

Approved by order of the members of the Board of Trustees on 22/4/19 and signed on its behalf by:



Mr Doug Croucher
Trustee



Mr Gareth Morris
Accounting officer
Chief Executive Officer

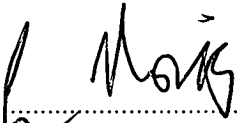
Twynham Learning

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Twynham Learning I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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


.....
Mr Gareth Morris
Accounting officer

Date: 27/11/19

Twynham Learning

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Twynham Learning for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

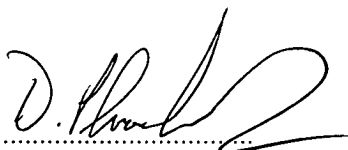
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction issued by the Education Funding Agency;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable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

The 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 the 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 27/11/19 and signed on its behalf by:



Mr Doug Croucher
Trustee

Twynham Learning

Independent Auditor's Report on the Financial Statements to the Members of Twynham Learning

Opinion

We have audited the financial statements of Twynham Learning (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Use of our report

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

Twynham Learning

Independent Auditor's Report on the Financial Statements to the Members of Twynham Learning (continued)

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'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 (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Trustees' Report.

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

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

Responsibilities of Trustees

Twynham Learning

Independent Auditor's Report on the Financial Statements to the Members of Twynham Learning (continued)

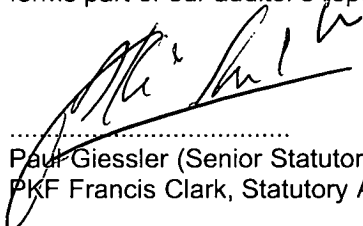
As explained more fully in the Statement of Trustees' Responsibilities [set out on page 20], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to 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'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 or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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



.....
Paul Giessler (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Date: 29 November 2019

Twynham Learning

Independent Reporting Accountant's Assurance Report on Regularity to Twynham Learning and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 18 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction issued by the Education Funding Agency, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Twynham Learning during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Board of Trustees' Accounting Officer and the reporting Accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated 30 March 2011 and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction issued by the Education Funding Agency issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

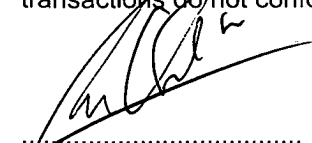
- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

Twynham Learning

Independent Reporting Accountant's Assurance Report on Regularity to Twynham Learning and the Education & Skills Funding Agency (continued)

Conclusion

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


.....
Paul Giessler
For and on behalf of Francis Clark LLP, Chartered Accountants

Date: 29 November 2019

Twynham Learning

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2019 Total £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	60	-	894	954
Fair value of existing academy acquisitions		-	-	-	-
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	71	18,387	-	18,458
Teaching schools		-	280	-	280
Other trading activities	4	473	-	-	473
Total		604	18,667	894	20,165
Expenditure on:					
Raising funds	6	458	-	-	458
<i>Charitable activities:</i>					
Academy trust educational operations	7	74	19,890	1,294	21,258
Teaching schools	23	-	200	-	200
Total		532	20,090	1,294	21,916
Net income/(expenditure)		72	(1,423)	(400)	(1,751)
Transfers between funds		(695)	976	(281)	-
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension schemes	21	-	(1,199)	-	(1,199)
Net movement in deficit		(623)	(1,646)	(681)	(2,950)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		709	(7,587)	51,304	44,426
Total funds/(deficit) carried forward at 31 August 2019		86	(9,233)	50,623	41,476

Twynham Learning

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2018 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	57	-	6,997	7,054
Transfer from local authority		149	-	6,930	7,079
Fair value of existing academy acquisitions		163	(23)	3,431	3,571
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	100	16,885	-	16,985
Teaching schools		-	182	-	182
Other trading activities	4	423	-	-	423
Investments	5	1	-	-	1
Total		893	17,044	17,358	35,295
Expenditure on:					
Raising funds	6	428	-	-	428
<i>Charitable activities:</i>					
Academy trust educational operations	7	101	18,414	1,327	19,842
Teaching schools		-	153	-	153
Total		529	18,567	1,327	20,423
Net income/(expenditure)		364	(1,523)	16,031	14,872
Transfers between funds		-	(93)	93	-
Other recognised gains and losses					
Opening defined benefit pension scheme liability		-	(1,793)	-	(1,793)
Actuarial gain/(loss) on defined benefit pension schemes	21	-	1,516	-	1,516
Net movement in funds/(deficit)		364	(1,893)	16,124	14,595
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		345	(5,694)	35,180	29,831

Twynham Learning

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account) (continued)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2018 £ 000
Total funds/(deficit) carried forward at 31 August 2018		<u>709</u>	<u>(7,587)</u>	<u>51,304</u>	<u>44,426</u>

Twynham Learning

(Registration number: 07565088)
Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	11	49,918	50,754
Current assets			
Debtors	12	537	500
Cash at bank and in hand		1,991	1,999
		2,528	2,499
Creditors: Amounts falling due within one year	13	(1,529)	(1,551)
Net current assets		999	948
Total assets less current liabilities		50,917	51,702
Net assets excluding pension liability		50,917	51,702
Defined benefit pension scheme liability	21	(9,441)	(7,276)
Total assets		41,476	44,426
Funds of the Academy:			
Restricted funds			
Restricted general fund		208	(311)
Restricted fixed asset fund		50,623	51,304
Restricted pension fund		(9,441)	(7,276)
		41,390	43,717
Unrestricted funds			
Unrestricted general fund		86	709
Total funds		41,476	44,426

The financial statements on pages 26 to 55 were approved by the Trustees, and authorised for issue on 27/8/19 and signed on their behalf by:



Mr Doug Croucher
Trustee

Twynham Learning

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	(446)	109
Cash flows from investing activities	18	<u>438</u>	<u>234</u>
Change in cash and cash equivalents in the year		(8)	343
Cash and cash equivalents at 1 September		<u>1,999</u>	<u>1,656</u>
Cash and cash equivalents at 31 August	19	<u><u>1,991</u></u>	<u><u>1,999</u></u>

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 company to continue as a going concern. The trustees make this assessment in respect of a minimum period of one year from the date of approval of the financial statements.

Income

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

Grants

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

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

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

Sponsorship income

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

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Donations

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

Other income

Other income, including the hire of facilities and fees charged to other schools and organisations for services rendered, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

Transfer of existing academies into the trust

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the Transfer of an existing academy into the trust within Donations and capital grant income.

Donated fixed assets

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

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Asset class

Leasehold buildings
Leasehold improvements
Furniture & fittings
Computer equipment

Depreciation method and rate

50 years straight line
10 years straight line
3 - 5 years straight line
3 years straight line

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Liabilities

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

Provisions

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

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

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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.

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

A critical area of judgement is the recognition of trip income and costs as either restricted or unrestricted funds.

The school has a long-standing policy that any surplus on an individual trip in excess of a reasonable administration fee per pupil is returned to the parent. The school does not retain any surplus in respect of any this income. It is raised from parents for an explicit purpose, and where a trip is cancelled subsequent to contributions being collected then all of the contributions received are returned to the parents concerned. Therefore, this clearly is not money that is available for the general purposes of the charity and so is classified as restricted.

A critical area of judgement is whether the school has a constructive obligation in respect of a redundancy payment or not.

The school issues a member of staff a notice of termination of employment. This notice creates a constructive obligation between the member of staff and the school. At this point the school recognises an accrual or provision in the accounts for the expected redundancy payment.

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Other voluntary income				
Capital grants	-	894	894	794
Other donations	60	-	60	57
Donated fixed assets	-	-	-	6,203
	<u>60</u>	<u>894</u>	<u>954</u>	<u>7,054</u>

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	15,796	15,796	14,402
Other DfE grants	-	940	940	871
	<u>-</u>	<u>16,736</u>	<u>16,736</u>	<u>15,273</u>
Other government grants				
Local Authority Grants	-	284	284	274
Special educational projects	-	921	921	937
	<u>-</u>	<u>1,205</u>	<u>1,205</u>	<u>1,211</u>
Non-government grants and other income				
Trip income	-	446	446	401
Catering income	71	-	71	100
	<u>71</u>	<u>446</u>	<u>517</u>	<u>501</u>
Total grants	<u>71</u>	<u>18,387</u>	<u>18,458</u>	<u>16,985</u>

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

4 Other trading activities

	Unrestricted funds £ 000	2019 Total £ 000	2018 Total £ 000
Hire of facilities	65	65	58
Sale of educational supplies	74	74	63
Insurance claims	25	25	29
Other generating funds income	309	309	273
	<u>473</u>	<u>473</u>	<u>423</u>

5 Investment income

	Total 2019 £ 000	Total 2018 £ 000
Short term deposits	<u>-</u>	<u>1</u>

6 Expenditure

	Non Pay Expenditure			2019 Total £ 000	2018 Total £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds					
Direct costs	85	36	337	458	428
Academy's educational operations					
Direct costs	12,683	1,294	1,848	15,825	14,847
Allocated support costs	3,372	1,062	999	5,433	4,995
Teaching School	<u>24</u>	<u>-</u>	<u>176</u>	<u>200</u>	<u>153</u>
	<u>16,164</u>	<u>2,392</u>	<u>3,360</u>	<u>21,916</u>	<u>20,423</u>

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2019 £ 000	2018 £ 000
Operating leases - other leases	52	62
Fees payable to auditor - audit	20	20
- other audit services	4	3
Profit/(loss) on disposal of tangible fixed assets	-	(8)

7 Charitable activities

	Total 2019 £ 000	Total 2018 £ 000
Direct costs - educational operations	15,825	14,847
Support costs - educational operations	5,433	4,995
	<u>21,258</u>	<u>19,842</u>

	Educational operations £ 000	Total 2019 £ 000	Total 2018 £ 000
Analysis of support costs			
Support staff costs	3,372	3,372	3,266
Technology costs	126	126	149
Premises costs	1,062	1,062	716
Other support costs	780	780	730
Governance costs	93	93	134
Total support costs	<u>5,433</u>	<u>5,433</u>	<u>4,995</u>

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff

Staff costs

	2019 £ 000	2018 £ 000
Staff costs during the year were:		
Wages and salaries	12,006	11,607
Social security costs	1,155	1,048
Operating costs of defined benefit pension schemes	2,924	2,361
	<u>16,085</u>	<u>15,016</u>
Supply teacher costs	54	73
Staff restructuring costs	25	86
	<u>16,164</u>	<u>15,175</u>
	2019 £ 000	2018 £ 000
Staff restructuring costs comprise:		
Redundancy payments	<u>25</u>	<u>86</u>

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:

	2019 No	2018 No
Charitable Activities		
Teachers	234	224
Administration and support	255	252
Management	2	2
	<u>491</u>	<u>478</u>

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff (continued)

Higher paid staff

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

	2019 No	2018 No
£60,001 - £70,000	6	7
£70,001 - £80,000	5	2
£80,001 - £90,000	-	2
£140,001 - £150,000	1	-

The key management personnel of the Academy Trust comprise the Chief Executive Officer and Chief Operating Officer as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Academy Trust was £281,105 (2018: £197,718).

9 Related party transactions - Trustees' remuneration and expenses

No Trustees have been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

During the year ended 31 August 2019, travel and subsistence expenses totalling £Nil (2018 - £274) were reimbursed or paid directly to 0 Trustees (2018 - 2).

Other related party transactions involving the Trustees are set out in note 22.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is not separately identifiable from information provided by the insurance provider.

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

11 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Leasehold Improvements £ 000	Total £ 000
Cost					
At 1 September 2018	52,148	316	758	2,553	55,775
Additions	-	10	112	334	456
At 31 August 2019	<u>52,148</u>	<u>326</u>	<u>870</u>	<u>2,887</u>	<u>56,231</u>
Depreciation					
At 1 September 2018	3,030	221	583	1,187	5,021
Charge for the year	<u>800</u>	<u>63</u>	<u>130</u>	<u>299</u>	<u>1,292</u>
At 31 August 2019	<u>3,830</u>	<u>284</u>	<u>713</u>	<u>1,486</u>	<u>6,313</u>
Net book value					
At 31 August 2019	<u>48,318</u>	<u>42</u>	<u>157</u>	<u>1,401</u>	<u>49,918</u>
At 31 August 2018	<u>49,118</u>	<u>95</u>	<u>175</u>	<u>1,366</u>	<u>50,754</u>

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

12 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	13	36
Prepayments	177	156
Accrued grant and other income	206	150
VAT recoverable	136	155
Other debtors	5	3
	<u>537</u>	<u>500</u>

13 Creditors: amounts falling due within one year

	2019 £ 000	2018 £ 000
Trade creditors	193	221
Other taxation and social security	265	271
Other creditors	54	87
Pension scheme creditor	239	236
Accruals	487	426
Deferred income	291	310
	<u>1,529</u>	<u>1,551</u>

	2019 £ 000	2018 £ 000
Deferred income		
Deferred income at 1 September 2018	310	238
Resources deferred in the period	291	310
Amounts released from previous periods	<u>(310)</u>	<u>(238)</u>
Deferred income at 31 August 2019	<u>291</u>	<u>310</u>

At the balance sheet date, the Academy Trust was holding funds received in advance for trips which will take place in the new financial year, funds received in advance on grants which cover the period to 31 March 2020 and fees invoiced in advance to other schools.

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Funds

	Balance at 1 September 2018 £ 000	Income £ 000	Expenditure £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	(508)	15,796	(16,264)	976	-
Pupil Premium	-	657	(657)	-	-
Other DfE Grants	-	283	(283)	-	-
LEA and other grants	-	284	(284)	-	-
Trips	-	446	(446)	-	-
SCITT	156	849	(926)	-	79
Other restricted	-	6	(6)	-	-
SGO	4	66	(58)	-	12
Teaching school	37	280	(200)	-	117
	<u>(311)</u>	<u>18,667</u>	<u>(19,124)</u>	<u>976</u>	<u>208</u>
Restricted fixed asset funds					
Donation from Local Authority	45,498	-	(791)	-	44,707
DfE Capital funding	1,275	894	(285)	(281)	1,603
Capital expenditure from GAG	954	-	(124)	-	830
LEA grant	210	-	(15)	-	195
SCITT capital expenditure	10	-	(5)	-	5
Transfers from existing academies	3,357	-	(74)	-	3,283
	<u>51,304</u>	<u>894</u>	<u>(1,294)</u>	<u>(281)</u>	<u>50,623</u>
Restricted pension funds					
Pension reserve	<u>(7,276)</u>	<u>-</u>	<u>(966)</u>	<u>(1,199)</u>	<u>(9,441)</u>
Total restricted funds	43,717	19,561	(21,384)	(504)	41,390
Unrestricted funds					
Unrestricted general funds	<u>709</u>	<u>604</u>	<u>(532)</u>	<u>(695)</u>	<u>86</u>
Total funds	<u>44,426</u>	<u>20,165</u>	<u>(21,916)</u>	<u>(1,199)</u>	<u>41,476</u>

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Funds (continued)

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

	Balance at 1 September 2017 £ 000	Income £ 000	Expenditure £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	122	14,379	(14,916)	(93)	(508)
Pupil Premium	17	619	(636)	-	-
Other DfE Grants	11	252	(263)	-	-
LEA and other grants	47	274	(321)	-	-
Trips	-	401	(401)	-	-
SCITT	155	835	(834)	-	156
Other restricted	7	35	(42)	-	-
SGO	12	67	(75)	-	4
Teaching school	7	182	(152)	-	37
	<u>378</u>	<u>17,044</u>	<u>(17,640)</u>	<u>(93)</u>	<u>(311)</u>
Restricted fixed asset funds					
Donation from Local Authority	33,167	13,133	(802)	-	45,498
DfE Capital funding	668	794	(187)	-	1,275
Capital expenditure from GAG	1,106	-	(245)	93	954
LEA grant	225	-	(15)	-	210
SCITT capital expenditure	15	-	(5)	-	10
Transfers from existing academies	-	3,431	(74)	-	3,357
	<u>35,181</u>	<u>17,358</u>	<u>(1,328)</u>	<u>93</u>	<u>51,304</u>
Restricted pension funds					
Pension reserve	<u>(6,073)</u>	<u>-</u>	<u>(926)</u>	<u>(277)</u>	<u>(7,276)</u>
Total restricted funds	29,486	34,402	(19,894)	(277)	43,717
Unrestricted funds					
Unrestricted general funds	<u>345</u>	<u>893</u>	<u>(529)</u>	<u>-</u>	<u>709</u>
Total funds	<u>29,831</u>	<u>35,295</u>	<u>(20,423)</u>	<u>(277)</u>	<u>44,426</u>

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Funds (continued)

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

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

General Annual Grant (GAG) – The Academy's principal funding stream received from the Education Skills and Funding Agency (ESFA).

A transfer has been made fixed asset funds to GAG to cover expenditure which did not meet the criteria to be recognised as a fixed asset but had been funded through capital income.

A transfer has been made from unrestricted funds into GAG funds to cover the deficit.

Pupil Premium – DfE funding to address inequalities between children eligible for free school meals and their wealthier peers by ensuring that funding reaches the pupils who need it most.

Other DfE grants – Other specific grants from the DfE including assistance with the cost of establishing a Multi-Academy Trust.

LEA and other grants – Other grants from the Local Education Authority including for teacher training and skills support.

Pension reserve – The deficit on the Local Government Pension Scheme has been recognised against restricted funds in order to match it against GAG as recommended by the ESFA Accounts Direction.

Trips – Contributions from students towards trips and events run by the school. Where a surplus above a set limit is generated on a specific trip, this is returned to the students.

SCITT (School-Centred Initial Teacher Training) - Twynham is the lead school for the Bournemouth, Poole and Dorset East SCITT. Funding is received for bursaries and placement fees for student teachers in the area which is then distributed to the schools and teachers participating in the scheme.

Restricted fixed asset funds – Funding for capital items and projects. This also includes an element of capital spend funded from GAG.

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	2019 £ 000	2018 £ 000
Twynham School	163	190
The Grange School	(309)	(177)
Twynham Primary	59	17
Stourfield Junior School	224	153
Stourfield Infant School	10	41
Christchurch Junior School	181	154
Central services	(34)	20
Total before fixed assets and pension reserve	294	398
Donation from Local Authority	50,623	51,304
Pension reserve	(9,441)	(7,276)
Total	41,476	44,426

The Grange School is carrying a net deficit of £309k on these funds primarily because of the falling number on roll.

The Trust continues to support The Grange School and has seconded a temporary Head of School supported by significant input from the Trust's Director of Standards. The continued support ensured that the The Grange School enjoyed a very positive section 8 monitoring visit in November 2019 where the visiting HMI judged that the "leadership and management are taking effective action towards the removal of serious weaknesses."

A working group of Trustees and Senior Leaders are in the process of formulating plans to ensure the continued viability of The Grange School.

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2019 £ 000
Twynham School	5,781	1,539	316	2,025	9,661
The Grange School	2,127	636	98	457	3,318
Twynham Primary	564	74	27	139	804
Stourfield Junior School	1,400	229	55	214	1,898
Stourfield Infant School	1,064	181	21	265	1,531
Christchurch Junior School	1,577	238	65	223	2,103
Central services	279	475	47	506	1,307
Academy Trust	<u>12,792</u>	<u>3,372</u>	<u>629</u>	<u>3,829</u>	<u>20,622</u>

15 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	49,918	49,918
Current assets	86	1,737	705	2,528
Current liabilities	-	(1,529)	-	(1,529)
Pension scheme liability	-	(9,441)	-	(9,441)
Total net assets	<u>86</u>	<u>(9,233)</u>	<u>50,623</u>	<u>41,476</u>

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

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Analysis of net assets between funds (continued)

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	50,754	50,754
Current assets	709	1,240	550	2,499
Current liabilities	-	(1,551)	-	(1,551)
Pension scheme liability	-	(7,276)	-	(7,276)
Total net assets	<u>709</u>	<u>(7,587)</u>	<u>51,304</u>	<u>44,426</u>

16 Financial commitments

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £ 000	2018 £ 000
Amounts due within one year	37	51
Amounts due between one and five years	<u>34</u>	<u>53</u>
	<u>71</u>	<u>104</u>

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2019 £ 000	2018 £ 000
Net (expenditure)/income	(1,751)	14,872
Depreciation	1,292	1,319
Capital grants from DfE and other capital income	(894)	(17,358)
Interest receivable	-	(1)
Defined benefit pension scheme cost less contributions payable	781	739
Defined benefit pension scheme finance cost	185	186
Decrease in stocks	-	9
Increase in debtors	(37)	(201)
(Decrease)/increase in creditors	(22)	535
Loss on disposal of tangible fixed assets	-	8
Net cash (used in)/provided by Operating Activities	<u>(446)</u>	<u>108</u>

18 Cash flows from investing activities

	2019 £ 000	2018 £ 000
Dividends, interest and rents from investments	-	1
Purchase of tangible fixed assets	(456)	(599)
Capital grants from DfE/ESFA	894	794
Capital funding received from sponsors and others	-	38
Net cash provided by investing activities	<u>438</u>	<u>234</u>

19 Analysis of cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank and in hand	<u>1,991</u>	<u>1,999</u>
Total cash and cash equivalents	<u>1,991</u>	<u>1,999</u>

20 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.

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Pension and similar obligations

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

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

Contributions amounting to £(239,022) (2018 - £(236,045)) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Pension and similar obligations (continued)

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 September 2019.

The employer's pension costs paid to TPS in the period amounted to £1,361,573 (2018: £1,237,129).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £810,000 (2018 - £787,000), of which employer's contributions totalled £615,000 (2018 - £597,000) and employees' contributions totalled £195,000 (2018 - £190,000). The agreed contribution rates for future years are 19 per cent for employers and 5.5 - 8.5 per cent for employees.

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

On 27 June 2019 the Supreme Court upheld the Court of Appeal's ruling that government reform's made in 2015 to the pensions of judges and firefighters were unlawful on the grounds of age discrimination. This case has become known as the 'McCloud judgement' and the ruling will have wider implications for all public service schemes affected by the reforms. Accordingly, the valuation provided by the actuary at 31 August 2019 includes the expected impact of compensation payments arising from this judgement.

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.90	2.70
Inflation assumptions (CPI)	2.20	2.30
RPI increases	<u>3.20</u>	<u>3.30</u>

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

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Pension and similar obligations (continued)

	2019	2018
Retiring today		
Males retiring today	22.90	24.00
Females retiring today	24.80	26.10
Retiring in 20 years		
Males retiring in 20 years	24.60	26.30
Females retiring in 20 years	<u>26.60</u>	<u>28.50</u>
Sensitivity analysis		
	At 31 August 2019	At 31 August 2018
	£000	£000
Discount rate +0.1%	17,498	14,077
Discount rate -0.1%	18,265	14,690
Mortality assumption – 1 year increase	18,515	14,858
Mortality assumption – 1 year decrease	17,261	13,918
CPI rate +0.1%	18,223	14,659
CPI rate -0.1%	17,538	14,107
Salary rate +0.1%	17,917	14,858
Salary rate -0.1%	<u>17,837</u>	<u>13,918</u>

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

	2019 £ 000	2018 £ 000
Equities	4,306	3,881
Gilts	1,105	890
Other bonds	601	491
Property	880	720
Cash and other liquid assets	219	66
Other	<u>1,325</u>	<u>1,056</u>
Total market value of assets	<u>8,436</u>	<u>7,104</u>

The actual return on scheme assets was £638,000 (2018 - £146,000).

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	1,391	3,126
Interest income	(197)	(164)
Interest cost	382	350
Admin expenses	6	4
Total amount recognised in the SOFA	<u>1,582</u>	<u>3,316</u>

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

	2018 £ 000	2017 £ 000
At start of period	14,380	11,075
Transferred in on existing academies joining the trust	-	3,013
Current service cost	1,230	1,333
Interest cost	382	350
Employee contributions	195	190
Actuarial (gain)/loss	1,640	(1,534)
Benefits paid	(111)	(47)
Past service cost	161	-
At 31 August	<u>17,877</u>	<u>14,380</u>

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

	2018 £ 000	2017 £ 000
At start of period	7,104	5,002
Transferred in on existing academies joining the trust	-	1,220
Interest income	191	160
Actuarial gain/(loss)	441	(18)
Employer contributions	616	597
Employee contributions	195	190
Benefits paid	(111)	(47)
At 31 August	<u>8,436</u>	<u>7,104</u>

22 Related party transactions

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

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

22 Related party transactions (continued)

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.

23 Teaching school trading account

	2018 £ 000	2017 £ 000
Income		
Direct Income		
Other income	280	182
Total Income	280	182
Expenditure		
Direct costs		
Direct staff costs	24	68
Other direct costs	176	81
Total direct costs	200	149
Other costs		
Other support costs	-	4
Total Expenditure	(200)	(153)
Surplus from all sources	80	29
Teaching school balances at 1 September 2018	-	7
Teaching school balances at 31 August 2019	80	36