

Twynham Learning

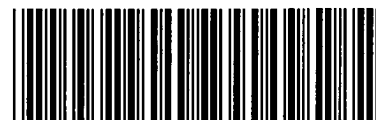
(A company limited by guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2018

Company Registration number: 07565088 (England and Wales)

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Twynham Learning

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Reference and Administrative Details

Members	Mr Julian Burton Mrs Deborah Place Mr John Sephton Mrs Debra Martin (appointed 3 September 2018)
Trustees (Directors)	Mrs Deborah Place, Chair Mrs Debra Martin, Vice Chair (until 31 August 2018) (resigned 31 August 2018) Mr John Sephton (resigned 30 September 2017) Mr Julian Burton (resigned 30 September 2017) Mr Doug Croucher, Vice Chair (from 1 September 2018) (appointed 1 September 2017) Mrs Alison Curtis (appointed 1 September 2017) Mr John England (resigned 30 September 2017) Mr Michael Turvey Mr Robin Shonfeld (appointed 1 September 2017) Mrs Lynda Clarke (appointed 1 October 2017) Mr Gareth Morris (appointed 1 September 2018) Mrs Gaynor Brown (appointed 29 November 2017)
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, Executive Business Manager
Principal and Registered Office	Twynham School Sopers Lane Christchurch Dorset BH23 1JF
Company Registration Number	07565088
Independent Auditors	PKF Francis Clark Statutory Auditor
Bankers	NatWest Bank

Twynham Learning

Trustees' Report for the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

During the period 1st September 2017 to 31st August 2018 the Trust operated six academies for pupils aged 4 to 19 serving a catchment area in Christchurch and Bournemouth. It has a pupil capacity of 3985 and had a roll of 3701.

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 Twynham Learning 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 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. Two Parent Local Governors will be appointed to the Local Governing Body of each school within the Academy Trust. In appointing a Parent Local Governor the Trustees shall appoint a person who is a parent of a pupil registered at the school. One or two staff governors, depending on the size of the school, will be elected by staff members of the academy to the Local Governing Body of each school within the Academy Trust. If a Staff Local Governor ceases to be a staff member then they will be deemed to have resigned and cease to be a governor. Any election of a Parent Local Governor or a Staff Local Governor which is contested will be held by secret ballot. 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 2018 (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 Interim Accounting Officer to discuss the role. An extensive induction pack is provided and a mentor assigned. 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 for School Governors. 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. An Interim Accounting Officer was in place during 2017/18 pending the appointment of the new CEO in September 2018.

The reinstatement of the temporary primary accommodation has allowed for a centralisation of the Multi-Academy Trust Core Services team.

The Board of Trustees has two sub-committees, these are the Staffing Committee and the Resources & Audit Committee. Both committees meet at least once each term. The Interim Accounting Officer, Executive Business Manager and other members of the Senior Leadership Team attend committee meetings, as appropriate.

The Trustees delegate governance functions to the Local Governing Bodies 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 Governing Bodies 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 Governing Bodies 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 Governing Body, the Twynham Learning Board will intervene and has reserved the right to suspend the Board and/or to discuss and appoint Local Governing Body members.

With the continued growth of the Multi-Academy Trust two new groups have been formed, these being the Chairs' and Heads' Advisory Groups. The chairs of the Twynham Learning Local Governing Bodies will meet at least once per term and act as the main link between the Board of Trustees and the Local Governing Bodies. Examples of discussion items will be the composition, membership, structure and terms of reference of the Local Governing Bodies, 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 will be represented on the Board of Trustees.

Twynham Learning

Trustees' Report for the Year Ended 31 August 2018 (continued)

The headteachers of the schools within the Academy Trust will also meet at least once per term and act as the main link between the Board of Trustees and senior leadership teams, driving the improvement agenda across the community of schools and ensuring that strategic and operational leadership is consistent and coherent across the academies. Representatives from the Heads' Advisory Group will attend meetings of the full board and 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.

Terms of reference for the Members, the Board of Trustees, the Heads' and 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 at least once every 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 & Audit Committee**, attended by the Interim Accounting Officer and the Executive Business Manager, 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 and the Interim 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 **Staffing Committee**, attended by the Interim Accounting Officer, also meets at least once every term and is the primary focal point for the consideration of all issues relating to the management of staff within the Academy Trust.

Twynham Learning

Trustees' Report for the Year Ended 31 August 2018 (continued)

The Board of Trustees has delegated certain aspects of business to the Local Governing Bodies 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 Governing Body 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 Governing Body to adopt if they wish, for Resources, Curriculum and Student Welfare Committees. The Local Governing Body 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 Governing Body 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 Governing Bodies.

Trustees delegate the day-to-day management operations of the Academy Trust to the Interim Accounting Officer. In order to facilitate effective operations, the Interim Accounting Officer and the Executive Business Manager have delegated authority within terms approved by the trustees for operational matters, including educational, finance and employment matters. The CEO and Accounting Officer was appointed with effect from 1st September 2018.

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. The process for the remuneration of key management personnel, including the Interim Accounting Officer, is given below.

A committee is formed comprising the Interim Accounting Officer, two Trustees with extensive performance management experience and an Education Specialist. The Interim Accounting Officer 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 Interim Accounting Officer, 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.

The Interim Accounting Officer was paid as Headteacher of Twynham School, as per the appropriate group size, with an additional honorarium for the Interim Accounting Officer duties.

Trade union facility time

Twynham Learning buys in Trade Union facilities for all schools within the MAT at a cost of £1.25 per student (£4611.25). 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.

Twynham Learning

Trustees' Report for the Year Ended 31 August 2018 (continued)

Related Parties and other Connected Charities and Organisations

Twynham School is the sponsor of The Grange School. School-to-school support is provided in all curriculum areas. Support is provided to the Headteacher from Twynham School and the Trustees to establish and develop teaching and non-teaching structures. Key staff have been seconded to The Grange School to work towards ensuring that all teaching is at least good.

Objectives and Activities

Objects and Aims

Each student is highly valued, whether academically or practically 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.

Objectives, Strategies and Activities

The main objectives and activities for 2017-18 are detailed in the MAT Strategic Plan, a copy of which is included as an appendix to this report. In summary the key objectives for the Trust encompass the following:

- Teaching and Learning
- Curriculum
- GDPR compliant
- Financial management and effective use of resource
- Facilities management across all property within the MAT
- ICT infrastructure and development
- Student Support Services
- Disadvantaged students

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 which identifies areas for development. These are formulated in discussion with senior leaders as well as the LGBs of each academy and ultimately the trustees.

Twynham Learning

Trustees' Report for the Year Ended 31 August 2018 (continued)

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. We provide ICT support facilities at a subsidised rate to partner schools that are not in the Trust. In addition, our PE department works with a range of schools using Sports Leaders to develop sporting skills and run sporting events within the community. We have also worked closely with a range of schools to support transition in English, Technology and Music to ensure students get access to specialist teaching and facilities which they would not otherwise experience. The Trust is lead school in the Jurassic Maths Hub which supports the development of high quality mathematics teaching across Dorset and is also the Pupil Premium Champion for the South West, a role that supports schools in closing the gap for disadvantaged students.

Through the use of an SSCO (Sports Co-ordinator) at The Grange School, sports sessions and events are provided to over 2,000 primary students in the local area. Alongside this, Twynham Learning leads the Christchurch Learning Federation, a soft partnership of local school, which has successful 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.

Twynham Learning

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Achievements and Performance

Key performance indicators

The number of students on roll within the trust is approximately 3,700 for the academic year 2018-19. This is broken down into:

Twynham School: 1280 11-16 and 447 Post-16
Grange School: 454 11-16 and 28 Post-16.
Stourfield Junior School: 483
Stourfield Infant School: 355
Twynham Primary School: 152
Christchurch Junior School: 502

Attendance across the Trust remains excellent with an average of 95.1%. Attendance rates at The Grange School showed improvement in the second half of the year but remained below average at 91.6%.

Outcomes for the academic year 2017-18 are not yet validated. This process is completed nationally in January of each academic year. However, student performance is described below for Twynham School, The Grange School, Twynham Primary School, Stourfield Junior School and Stourfield Infant School. Christchurch Junior School was not a part of Twynham Learning Trust during the national testing period and it would therefore not be appropriate to include figures in the report for 2017-18.

Outcomes for students at Twynham School continue to be excellent in 2017-18. The GCSE Attainment 8 and Progress 8 accountability measures for Twynham School were 50.6 and +0.07 demonstrating that students at Twynham School performed above the national average both for their actual outcomes and for the progress made from Key Stage 2. Significantly results were excellent in English and Maths. Twynham School also has excellent Ebacc results with over 60% of students being entered for the Ebacc suite of subjects and outcomes also significantly better than those nationally.

Post-16 results were again excellent at Twynham School with 54% of all grades A*-B and the A*-A figure remained at the high level of 22%.

Student performance at the Grange was significantly improved. The Progress 8 measure of -0.04 demonstrates that students achieve outcomes similar to those in other schools nationally.

Post-16 results at the Grange School were again outstanding and place the school in the top 5% of Post-16 providers nationally.

In March 2018, The Grange School was subject to a full section five Ofsted inspection and the overall effectiveness of the school was judged to be 'Inadequate' with serious weaknesses. Significant school improvement work has been undertaken by the Trust from January 2018 including the full-time secondment of a senior leader as well as the appointment of a Deputy Headteacher. Ofsted recognised this in the report commenting; "leaders are working collaboratively across the Trust and this has significantly increased the capacity for improvements". Following the inspection, the Headteacher at The Grange School left her position after a period of ill health. To ensure the school had stable leadership two Heads of School were appointed under the executive leadership of the Headteacher at Twynham School.

Twynham Learning

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Outcomes for students in Twynham Primary School cannot yet be reported as the school does not yet have students who have completed Key Stage 2. However, the school continues to be heavily oversubscribed and now has students in Years R-5 who are now accommodated in a purpose-built new school on Marsh Lane. Internal testing demonstrates that students are making excellent progress and benchmarking exercises suggest that nearly 100% of the students will meet national expectations at the end of Key Stage 2 in two years' time.

Outcomes at Stourfield Junior School demonstrate a particular strength in KS2 Writing. In Maths and GPS outcomes are at, or just below, national expectations and whilst Reading was below national expectations, this is being addressed through a strong school improvement strategy.

Outcomes at Christchurch Junior School were above national expectation in Reading and Maths and demonstrated a clear strength in the RWM measure.

Outcomes at Stourfield Infant School remain exceptionally strong and significantly above the national expectation in all areas.

In relation to pupil recruitment most schools within the Trust remain heavily subscribed, however, the impact of the Ofsted inspection at The Grange School is being felt by lower than expected pupil numbers.

Charitable Fundraising

The students raised a total of £6,571 for a number of charities through various fundraising activities and MUFTI days. The charities included Children in Need, Comic Relief, Macmillan, Mind, Alzheimer's Society and the Jon Egging Trust.

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.

Twynham Learning

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Financial Review

The Academy Trust generated a deficit of £1,523,000 before gains and transfers in the Restricted General Funds. This deficit is after adjusting for £926,000 of service, interest and administrative costs on the FRS102 pension scheme as shown in note 22.

Funding continues to be a challenge for all educational establishments and, to enable the Trust to meet these challenges, Trustees have worked with the Executive Team to rationalise the curriculum and associated staffing structure whilst still allowing the delivery of high quality teaching and support services within its schools.

The Twynham Learning budget has ensured that all schools within the Academy Trust benefit from the expert provision of core services, in addition to the appointment of teaching staff who work across the phases of schools within the Academy Trust. It has also enabled prioritised support to be targeted as and when required. The Twynham Learning budget is intrinsically linked to the MAT Strategic Plan which, following the appointment of the CEO on 1st September 2018, is under review.

Following the Ofsted inspection at The Grange School, Trustees recognised the need to invest in the fabric of the buildings to support the school improvement required. Works included the refurbishment of the Science block and AstroTurf as well as the removal of redundant pre-fab classrooms. This was to the cost of £84,371 funds were used from the CIF capital allocation. Staff and students at The Grange School are benefiting greatly from this investment.

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

- Financial Procedures Policy - last reviewed March 2018
- Charging & Remission Policy - last reviewed October 2017
- Debt Recovery Policy - last reviewed October 2017
- Depreciation Policy - last reviewed October 2017
- Anti-Fraud and Corruption Policy - last reviewed June 2018
- Gifts & Hospitality Policy - last reviewed October 2017
- Lettings Policy - last reviewed March 2018
- Reserves & Investment Policy - last reviewed June 2018
- Whistle Blowing Policy - last reviewed September 2018

The strategic finance team use benchmarking to inform budget planning and work closely with schools outside of the Academy Trust when appropriate. The Twynham Learning Strategic Finance Team instigated a benchmarking exercise for Dorset secondary schools, the results of which enabled participants to better inform their strategic budget planning.

In September 2018 a letter was sent from all Christchurch Secondary Headteachers to parents of all secondary children in Christchurch highlighting the very real difficulties due to the funding shortfall in education.

Currently the pension liability is £7,276,000.

Prudent forward planning is essential to ensure all schools within the Trust continue to be going concerns.

Twynham Learning

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Reserves Policy

The balance sheet shows the Academy Trust having £1,999,000 cash at bank and in hand. The funds excluding fixed assets and pension reserve currently held by the Trust amount to £398,000.

As a result of significant growth the Trust now benefits from formula funded CIF allocation. In the accounting period the Trust was allocated £625,367.

The Trust Strategic Plan recognises the need to ensure that basic need is planned for at all schools within Twynham Learning. It is recognised that the increase in the PAN from 240 to 264 in 2015 will necessitate additional teaching rooms as the increased numbers of students feed through the school. Additionally, the planned growth of the Sixth Form at Twynham School will further increase the need for additional teaching and social spaces. Trustees will consider proposals the additional accommodation under the basic need criteria together with other capital projects that will be put forward in the strategic capital plan.

The most cost effective proposal for addressing the basic need provision on the Twynham School site would be to build an eight classroom teaching block which, with associated works, would cost £1,550,000.

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

Investment Policy

The Executive Business Manager and Management Accountant are responsible for monitoring cash flow forecasts to ensure the Trust has sufficient funds available to pay for day to day operations. Trustees regularly monitor cash flow reports and forecasts produced by the Management Accountant 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 only in interest bearing deposit accounts with any major UK regulated bank.

Should funds be invested, then the Executive Business Manager and the Management Accountant will regularly review the interest rates being achieved.

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

Twynham Learning

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

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 team to support the excellent work being undertaken at The Grange School to increase student numbers.

Twynham School, The Grange School and Twynham Primary School have business continuity management plans in place and these are being used as a template for the other schools within the Trust. The current plans are closely monitored to ensure their continued effectiveness, should a need arise for them to be implemented.

The risk management register is reviewed on a termly basis by Local Governing Bodies, 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 & Audit 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 Academy Management Accountant.
- 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 LGB Health and Safety representative and the Executive Facilities Manager.
- Moore Stephens were engaged in February 2017 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.

Twynham Learning

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Fundraising

Trustees are mindful of the need to source income from other avenues and with this in mind have charged key Trustees and the recently appointed CEO to increase income.

Funds Held as Custodian Trustee on Behalf of Others

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

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. Termly inspections of the sites are undertaken by the Chair of the Trustees' Resources & Audit Committee and the Executive Facilities Manager.

The Twynham Primary School permanent accommodation was completed in July 2018 and staff and students from YR to Y4 moved to the new accommodation.

Agree priorities 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 recently appointed CEO will look, in conjunction with the Trustees, towards a structure for executive leadership of the Trust.

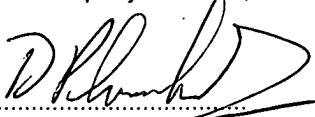
Trustees and the recently appointed CEO will establish a new strategic plan for the MAT which will incorporate the 2020 strategic plan.

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 29/11/2018 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 5 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
Mr John England	0	1
Mrs Debra Martin	3	5
Mr Michael Turvey	5	5
Mr John Sephton	1	1
Mrs Deborah Place	5	5
Mrs Gaynor Brown	2	3
Mrs Lynda Clarke	4	4
Mr Doug Croucher	5	5
Mrs Alison Curtis	5	5
Mr Robin Shonfeld	5	5

Twynham Learning

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 Michael Turvey	5	5
Mrs Lynda Clarke	4	5
Mr Robin Shonfeld	5	5
Mr Doug Croucher	5	5
Mr Jy Taylor	5	5

Twynham Learning

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:

Twynham Learning

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 for the sponsored and non-sponsored Academies. During this accounting period the Scheme of Delegation was reviewed in November 2017. The review of the Scheme of Delegation was done in conjunction with governors of schools who were at the time in the process of joining the Multi Academy Trust, which included Stourfield Infant School, Stourfield Junior School and Christchurch Junior School.

- 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 are submitted to the Chair of the Trustees' Resources and Audit Committee, the Chair of Trustees, the Accounting Officer and the school's accountant, and are then reviewed at the next meeting of the Trustees' Resources and Audit Committee. During the year 2017-2018, the internal audit programme for the Academy Trust focussed on internal controls to include website publication requirements, opening balances, bank reconciliations, purchase cycle testing, payroll procedures, and the management of conflicts of interest.

- 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. Robust internal controls are in place to ensure that all order requests are approved by either the Executive Business Manager or the Interim Accounting Officer.

- The Multi Academy Trust keeps all staff informed about the challenges it faces with continuing cuts in education funding. As we plan and work towards the implementation of the national funding formula we work with curriculum leaders and support staff representatives to ensure that the Academy Trust maximises the use of available resources.

- Improved value for money during this accounting period has been achieved by the continued work of the Strategic Finance Team which includes the MAT Management Accountant, Middle Leaders, Assistant Headteacher and Interim Accounting Officer. Trustees do attend the meetings of this group, which is led by the Executive Business Manager. During this accounting period, the team developed and led a benchmarking exercise which involved all Dorset primary schools. The findings will ensure that the primary phase schools in the Trust will be able to make better informed decisions about staffing and resources within their establishments.

Twynham Learning

Governance Statement (continued)

- A Best Value Statement is completed by budget holders for any orders over £5000. 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. 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.

- The recently appointed Chief Executive Officer and Trustees are currently investigating the possibility of developing catering and nursery facilities as a business arm of the Trust.

- Deployment of staff is reviewed annually by the Trustees' Staffing Committee. The monitoring and rationalisation of the curriculum ensures continued efficiency and informs strategic planning. The Strategic Team works with Trustees and Senior Leaders in the sponsored academy to support the work being undertaken at that school.

Specific Examples

- Continued support for The Grange School Leadership Team and Local Governing Body.

- School-to-school support has ensured that all curriculum areas and, in particular, the core subject areas.

- The continued work of the MAT Heads' Strategic Group. Decision to implement Maths No Problem with training to be funded by Twynham Learning.

- Continued use of specialist MFL teachers timetable across the primary phase.

- Extension of music scholarship across primary and secondary phase. Support from music teachers.

- The continued development of the Core Services Team and associated accommodation to enable the team to work together in one location. The capacity of the team has been increased so that the structure is better able to support schools within the Trust.

- Schools within the Trust have ring-fenced reserves which will help provide stability against the turbulence being experienced in education funding, particularly as we move towards local government reform.

- Reserves within the Trust will ensure the stability of cash flow.

- The SCITT has held a reserve to ensure stability during a period of unknown recruitment levels. As recruitment has stabilised a strategic plan is being developed in conjunction with the Director of Teaching School and these reserves will be allocated to the plan.

- The maintenance and refurbishment of buildings remains a priority to ensure the health and safety of our communities on all sites within the Academy Trust.

Twynham Learning

Governance Statement (continued)

- Teaching and support staff structures at all schools are regularly reviewed by the Strategic Team.
- The Academy Trust again engaged the services of a Post 16 funding consultant to enable effective planning of curriculum provision during the continued turbulence in education funding as we move towards the implementation of the National Funding Formula.
- The finance team continue to work and support staff in all the schools. A qualified management accountant ensures compliance with statutory requirements and the appointment of a Trustee with specialist educational finance and audit background has further strengthened the financial expertise in the Academy Trust.

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 2018 and up to the date of approval of the annual report and financial statements.

This process is regularly reviewed by the Board of Trustees. 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;

Twynham Learning

Governance Statement (continued)

- 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.

The Trustees reviewed the performance of the internal auditors and made the decision to investigate alternative providers. The decision was then made to engage Moore Stephens. The internal auditors have worked effectively with Trustees and staff and it is proposed that they will be engaged for the next 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:

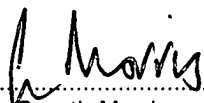
- the work of the Resources/Audit Committees at Trustee and LGB level
- the work of the external and internal auditors;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance 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 28/11/2018 and signed on its behalf by:



Mr Doug Croucher
Trustee



Mr Gareth Morris
Accounting officer
Chief Executive Officer

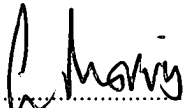
Twynham Learning

Statement on 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 2017.

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 2017.

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



Mr Gareth Morris
Accounting officer

Date: 28/11/2018

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 I 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:

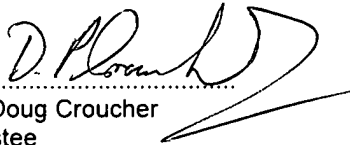
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction issued by the Education Funding Agency;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable 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 28/11/2018 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 2018, 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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018; 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 and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

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.

Twynham Learning

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

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

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 22], 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.

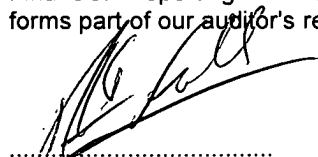
Auditor's responsibilities for the audit of the financial statements

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.

Twynham Learning

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

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 2018

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

This report is made solely to Twynham Learning and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 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:

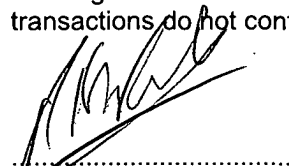
- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

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



Paul Giessler

For and on behalf of Francis Clark LLP, Chartered Accountants

Date: 29 November 2018

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	2018 Total £ 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	25	-	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	22	-	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	2018 Total £ 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

Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

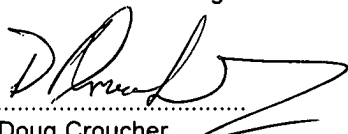
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2017 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	31	-	574	605
Transfer from local authority		6	280	4,150	4,436
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	62	13,441	-	13,503
Teaching schools		-	149	-	149
Other trading activities	4	325	-	-	325
Total		424	13,870	4,724	19,018
Expenditure on:					
Raising funds	6	324	-	-	324
<i>Charitable activities:</i>					
Academy trust educational operations	7	57	15,053	910	16,020
Teaching schools		-	144	-	144
Total		381	15,197	910	16,488
Net income/(expenditure)		43	(1,327)	3,814	2,530
Transfers between funds		-	(35)	35	-
Other recognised gains and losses					
Opening defined benefit pension scheme liability		-	(122)	-	(122)
Actuarial gain/(loss) on defined benefit pension schemes	22	-	1,859	-	1,859
Net movement in funds		43	375	3,849	4,267
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		302	(6,069)	31,331	25,564
Total funds/(deficit) carried forward at 31 August 2017		345	(5,694)	35,180	29,831

Twynham Learning

(Registration number: 07565088)
Balance Sheet as at 31 August 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Tangible assets	11	50,754	34,956
Current assets			
Stocks	12	-	9
Debtors	13	500	299
Cash at bank and in hand		1,999	1,656
		<u>2,499</u>	<u>1,964</u>
Creditors: Amounts falling due within one year	14	<u>(1,551)</u>	<u>(1,016)</u>
Net current assets		<u>948</u>	<u>948</u>
Total assets less current liabilities		<u>51,702</u>	<u>35,904</u>
Net assets excluding pension liability		51,702	35,904
Defined benefit pension scheme liability	22	<u>(7,276)</u>	<u>(6,073)</u>
Total assets		<u><u>44,426</u></u>	<u><u>29,831</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(311)	378
Restricted fixed asset fund		51,304	35,181
Restricted pension fund		<u>(7,276)</u>	<u>(6,073)</u>
		43,717	29,486
Unrestricted funds			
Unrestricted general fund		<u>709</u>	<u>345</u>
Total funds		<u><u>44,426</u></u>	<u><u>29,831</u></u>

The financial statements on pages 28 to 59 were approved by the Trustees, and authorised for issue on 28/11/2018 and signed on their behalf by:


.....
Mr Doug Croucher
Trustee

Twynham Learning

Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £ 000	2017 £ 000
Cash flows from operating activities			
Net cash provided by operating activities	18	109	46
Cash flows from investing activities	19	<u>234</u>	<u>190</u>
Change in cash and cash equivalents in the year		343	236
Cash and cash equivalents at 1 September		<u>1,656</u>	<u>1,420</u>
Cash and cash equivalents at 31 August	20	<u><u>1,999</u></u>	<u><u>1,656</u></u>

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 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.

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Notes to the Financial Statements for the Year Ended 31 August 2018 (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.

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Notes to the Financial Statements for the Year Ended 31 August 2018 (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

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Notes to the Financial Statements for the Year Ended 31 August 2018 (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 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. 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.

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.

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Notes to the Financial Statements for the Year Ended 31 August 2018 (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.

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Notes to the Financial Statements for the Year Ended 31 August 2018 (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 22, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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.

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2018 £ 000	Total 2017 £ 000
Other voluntary income				
Capital grants	-	794	794	574
Other donations	57	-	57	31
Donated fixed assets	-	6,203	6,203	-
	<u>57</u>	<u>6,997</u>	<u>7,054</u>	<u>605</u>

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2018 £ 000	Total 2017 £ 000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	14,402	14,402	11,404
Other DfE grants	-	871	871	516
	<u>-</u>	<u>15,273</u>	<u>15,273</u>	<u>11,920</u>
Other government grants				
Local Authority Grants	-	274	274	261
Special educational projects	-	937	937	1,009
	<u>-</u>	<u>1,211</u>	<u>1,211</u>	<u>1,270</u>
Non-government grants and other income				
Trip income	-	401	401	251
Catering income	100	-	100	62
	<u>100</u>	<u>401</u>	<u>501</u>	<u>313</u>
Total grants	<u>100</u>	<u>16,885</u>	<u>16,985</u>	<u>13,503</u>

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

4 Other trading activities

	Unrestricted funds £ 000	2018 Total £ 000	2017 Total £ 000
Hire of facilities	58	58	34
Sale of educational supplies	63	63	47
Insurance claims	29	29	7
Other generating funds income	273	273	237
	<u>423</u>	<u>423</u>	<u>325</u>

5 Investment income

	Unrestricted funds £ 000	Total 2018 £ 000
Short term deposits	<u>1</u>	<u>1</u>

6 Expenditure

	Non Pay Expenditure			2018 Total £ 000	2017 Total £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds					
Direct costs	138	32	258	428	324
Academy's educational operations					
Direct costs	11,703	1,318	1,826	14,847	11,786
Allocated support costs	3,266	716	1,013	4,995	4,234
Teaching School	<u>68</u>	<u>-</u>	<u>85</u>	<u>153</u>	<u>144</u>
	<u>15,175</u>	<u>2,066</u>	<u>3,182</u>	<u>20,423</u>	<u>16,488</u>

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2017/18 £ 000	2016/17 £ 000
Operating leases - other leases	62	45
Fees payable to auditor - audit	20	18
- other audit services	3	2
Profit/(loss) on disposal of tangible fixed assets	(8)	-

7 Charitable activities

	Total 2018 £ 000	Total 2017 £ 000
Direct costs - educational operations	14,847	11,786
Support costs - educational operations	4,995	4,234
	<u>19,842</u>	<u>16,020</u>

	Educational operations £ 000	Total 2018 £ 000	Total 2017 £ 000
Analysis of support costs			
Support staff costs	3,266	3,266	2,979
Technology costs	149	149	101
Premises costs	716	716	582
Other support costs	730	730	471
Governance costs	134	134	101
Total support costs	<u>4,995</u>	<u>4,995</u>	<u>4,234</u>

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff

Staff costs

	2018 £ 000	2017 £ 000
Staff costs during the year were:		
Wages and salaries	11,607	8,776
Social security costs	1,048	811
Operating costs of defined benefit pension schemes	2,361	2,720
	<u>15,016</u>	<u>12,307</u>
Supply teacher costs	73	9
Staff restructuring costs	86	-
	<u>15,175</u>	<u>12,316</u>
	2018 £ 000	2017 £ 000
Staff restructuring costs comprise:		
Redundancy payments	<u>86</u>	<u>-</u>

Staff numbers

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

	2018 No	2017 No
Charitable Activities		
Teachers	224	172
Administration and support	252	227
Management	2	2
	<u>478</u>	<u>401</u>

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff (continued)

Higher paid staff

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

	2018 No	2017 No
£60,001 - £70,000	7	6
£70,001 - £80,000	2	2
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1

The key management personnel of the Academy Trust comprise the Executive Headteacher and Executive Business Manager 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 £197,718 (2016: £185,369).

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 2018, travel and subsistence expenses totalling £274 (2017 - £Nil) were reimbursed or paid directly to 2 Trustees (2017 - 0).

Other related party transactions involving the Trustees are set out in note 23.

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.

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

11 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and fixtures £ 000	Computer equipment £ 000	Leasehold Improvements £ 000	Total £ 000
Cost					
At 1 September 2017	35,645	175	522	2,316	38,658
Additions	-	130	232	237	599
Inherited assets	16,503	19	4	-	16,526
Disposals	-	(8)	-	-	(8)
At 31 August 2018	<u>52,148</u>	<u>316</u>	<u>758</u>	<u>2,553</u>	<u>55,775</u>
Depreciation					
At 1 September 2017	2,239	123	409	931	3,702
Charge for the year	<u>791</u>	<u>98</u>	<u>174</u>	<u>256</u>	<u>1,319</u>
At 31 August 2018	<u>3,030</u>	<u>221</u>	<u>583</u>	<u>1,187</u>	<u>5,021</u>
Net book value					
At 31 August 2018	<u>49,118</u>	<u>95</u>	<u>175</u>	<u>1,366</u>	<u>50,754</u>
At 31 August 2017	<u>33,406</u>	<u>52</u>	<u>113</u>	<u>1,385</u>	<u>34,956</u>

12 Stock

	2018 £ 000	2017 £ 000
Stock	<u>-</u>	<u>9</u>

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

13 Debtors

	2018 £ 000	2017 £ 000
Trade debtors	36	9
Prepayments	156	112
Accrued grant and other income	150	97
VAT recoverable	155	79
Other debtors	3	2
	<u>500</u>	<u>299</u>

14 Creditors: amounts falling due within one year

	2018 £ 000	2017 £ 000
Trade creditors	221	88
Other taxation and social security	271	215
Other creditors	87	93
Pension scheme creditor	236	187
Accruals	426	195
Deferred income	310	238
	<u>1,551</u>	<u>1,016</u>

	2018 £ 000	2017 £ 000
Deferred income		
Deferred income at 1 September 2017	238	205
Resources deferred in the period	310	238
Amounts released from previous periods	<u>(238)</u>	<u>(205)</u>
Deferred income at 31 August 2018	<u>310</u>	<u>238</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 2019 and fees invoiced in advance to other schools.

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 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>

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

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

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
Restricted general funds					
General Annual Grant (GAG)	152	11,404	(11,721)	287	122
Pupil Premium	21	431	(435)	-	17
Other DfE Grants	11	85	(85)	-	11
LEA and other grants	47	541	(261)	(280)	47
Trips	-	251	(262)	11	-
SCITT	138	890	(808)	(65)	155
Other restricted	2	35	(30)	-	7
SGO	16	84	(95)	7	12
Teaching school	(3)	149	(144)	5	7
	<u>384</u>	<u>13,870</u>	<u>(13,841)</u>	<u>(35)</u>	<u>378</u>
Restricted fixed asset funds					
Donation from Local Authority	29,511	4,150	(494)	-	33,167
DfE Capital funding	457	309	(98)	-	668
Capital expenditure from GAG	1,344	-	(313)	75	1,106
LEA grant	-	225	-	-	225
SCITT capital expenditure	19	-	(4)	-	15
Private sector capital sponsorship	-	40	-	(40)	-
	<u>31,331</u>	<u>4,724</u>	<u>(909)</u>	<u>35</u>	<u>35,181</u>
Restricted pension funds					
Pension reserve	<u>(6,453)</u>	<u>-</u>	<u>(1,357)</u>	<u>1,737</u>	<u>(6,073)</u>
Total restricted funds	25,262	18,594	(16,107)	1,737	29,486
Unrestricted funds					
Unrestricted general funds	<u>302</u>	<u>424</u>	<u>(381)</u>	<u>-</u>	<u>345</u>
Total funds	<u><u>25,564</u></u>	<u><u>19,018</u></u>	<u><u>(16,488)</u></u>	<u><u>1,737</u></u>	<u><u>29,831</u></u>

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

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

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	152	25,783	(26,637)	194	(508)
Pupil Premium	21	1,050	(1,071)	-	-
Other DfE Grants	11	337	(348)	-	-
LEA and other grants	47	815	(582)	(280)	-
Trips	-	652	(663)	11	-
SCITT	138	1,725	(1,642)	(65)	156
Other restricted	2	70	(72)	-	-
SGO	16	151	(170)	7	4
Teaching school	(3)	331	(296)	5	37
	<u>384</u>	<u>30,914</u>	<u>(31,481)</u>	<u>(128)</u>	<u>(311)</u>
Restricted fixed asset funds					
Donation from Local Authority	29,511	17,283	(1,296)	-	45,498
DfE Capital funding	457	1,103	(285)	-	1,275
Capital expenditure from GAG	1,344	-	(558)	168	954
LEA grant	-	225	(15)	-	210
SCITT capital expenditure	19	-	(9)	-	10
Private sector capital sponsorship	-	40	-	(40)	-
Transfers from existing academies	-	3,431	(74)	-	3,357
	<u>31,331</u>	<u>22,082</u>	<u>(2,237)</u>	<u>128</u>	<u>51,304</u>
Restricted pension funds					
Pension reserve	<u>(6,453)</u>	<u>-</u>	<u>(2,283)</u>	<u>1,460</u>	<u>(7,276)</u>
Total restricted funds	25,262	52,996	(36,001)	1,460	43,717
Unrestricted funds					
Unrestricted general funds	<u>302</u>	<u>1,317</u>	<u>(910)</u>	<u>-</u>	<u>709</u>
Total funds	<u>25,564</u>	<u>54,313</u>	<u>(36,911)</u>	<u>1,460</u>	<u>44,426</u>

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

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 from GAG into the fixed asset fund to cover additional capital purchases during the year not funded by specific capital income.

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.

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	2018 £ 000	2017 £ 000
Twynham School	190	356
The Grange School	(177)	25
Twynham Primary	17	79
Stourfield Junior School	153	204
Stourfield Infant School	41	-
Christchurch Junior School	154	-
Central services	20	59
Total before fixed assets and pension reserve	398	723
Donation from Local Authority	51,304	35,181
Pension reserve	(7,276)	(6,073)
Total	44,426	29,831

The Grange School is carrying a net deficit of £177k on these funds primarily because of the falling number on roll. This has been sustained following the Ofsted inspection in March 2018 which led to the number of applicants falling from an initial 85 to 75 following the "offer date". Although this was an increase from the previous year of 63 it was still below our expectations. In addition the deficit was compounded by the need to increase leadership capacity in the short-term by appointing joint-heads of school to fill the vacancy left by the previous Headteacher following her decision to leave the Trust in May 2018. The Trust was able to further support the leadership of the school during the accounting period with secondment of a senior leader as a school improvement advisor. These measures resulted in significantly improved GCSE results in 2018 – now at national average levels. The departure of the Headteacher also led to the withdrawal of £20,000 funding allocated by the Talented Leaders Programme which was attached to the individual and not to the school.

Trustees also took the decision to support the Grange by reducing the 5% MAT contribution to 3%. In May 2018 the Trust was presented with a business case for the restructuring of the support staff at The Grange School. This resulted in 4 posts being made redundant and 2 posts being redeployed across the Trust. The full year saving of this restructure is expected to be £114,000 per annum.

The Trust is now undertaking the following action to further reduce the deficit:

- Measures to ensure applications increase rapidly, including the marketing of the rapidly improved results of 2018.
- Complete review of the curriculum offer in all 3 Key Stages to identify further rationalisation and possible reduction in teaching staff.
- Review of the Grange Sixth Form provision to identify sustainability.
- Continued support from the Trust with regard to a continuation of the reduction to the MAT contribution.
- Development of further Core Services provision within the Trust which will allow for central services to be provided for from outside of individual schools' budget (including the Grange).

Twynham Learning

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 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 2018 £ 000
Twynham School	5,538	1,641	140	1,960	9,279
The Grange School	2,218	657	119	497	3,491
Twynham Primary	486	50	29	116	681
Stourfield Junior School	1,382	218	30	296	1,926
Stourfield Infant School	1,047	219	240	269	1,559
Christchurch Junior School	891	129	20	173	1,213
Central services	303	398	97	148	946
Academy Trust	<u>11,865</u>	<u>3,312</u>	<u>675</u>	<u>3,459</u>	<u>19,095</u>

16 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	34,956	34,956
Current assets	345	1,394	225	1,964
Current liabilities	-	(1,016)	-	(1,016)
Pension scheme liability	-	(6,073)	-	(6,073)
Total net assets	<u>345</u>	<u>(5,695)</u>	<u>35,181</u>	<u>29,831</u>

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Analysis of net assets between funds (continued)

Fund balances at 31 August 2018 are represented by:

	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>

17 Financial commitments

Operating leases

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

	2018 £ 000	2017 £ 000
Amounts due within one year	51	62
Amounts due between one and five years	<u>53</u>	<u>82</u>
	<u>104</u>	<u>144</u>

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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

	2018 £ 000	2017 £ 000
Net income	14,872	2,530
Depreciation	1,319	909
Capital grants from DfE and other capital income	(17,358)	(4,724)
Interest receivable	(1)	-
Defined benefit pension scheme cost less contributions payable	739	1,219
Defined benefit pension scheme finance cost	186	138
Decrease/(increase) in stocks	9	(9)
Increase in debtors	(201)	(83)
Increase in creditors	535	66
Loss on disposal of tangible fixed assets	8	-
Net cash provided by Operating Activities	<u>108</u>	<u>46</u>

19 Cash flows from investing activities

	2018 £ 000	2017 £ 000
Dividends, interest and rents from investments	1	-
Purchase of tangible fixed assets	(599)	(123)
Capital grants from DfE/ESFA	794	313
Capital funding received from sponsors and others	38	-
Net cash provided by investing activities	<u>234</u>	<u>190</u>

20 Analysis of cash and cash equivalents

	2018 £ 000	2017 £ 000
Cash at bank and in hand	<u>1,999</u>	<u>1,656</u>
Total cash and cash equivalents	<u>1,999</u>	<u>1,656</u>

21 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 2018 (continued)

22 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 £(236,045) (2017 - £(186,547)) 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 2018 (continued)

22 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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,237,129 (2017: £983,707).

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 2018 was £787,000 (2017 - £527,000), of which employer's contributions totalled £597,000 (2017 - £394,000) and employees' contributions totalled £190,000 (2017 - £133,000). The agreed contribution rates for future years are 18.8 per cent for employers and 5.5 per cent for employees.

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

Principal actuarial assumptions

	2018 %	2017 %
Rate of increase in salaries	3.80	4.20
Rate of increase for pensions in payment/inflation	2.30	2.70
Discount rate for scheme liabilities	2.70	2.60
Inflation assumptions (CPI)	2.30	1.80
RPI increases	<u>3.30</u>	<u>2.70</u>

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

	2018	2017
Retiring today		
Males retiring today	24.00	23.90
Females retiring today	26.10	26.00
Retiring in 20 years		
Males retiring in 20 years	26.30	26.20
Females retiring in 20 years	<u>28.50</u>	<u>28.30</u>

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

22 Pension and similar obligations (continued)

Sensitivity analysis

	At 31 August 2018 £000	At 31 August 2017 £000
Discount rate +0.1%	14,077	10,842
Discount rate -0.1%	14,690	11,314
Mortality assumption – 1 year increase	14,858	11,448
Mortality assumption – 1 year decrease	13,918	10,714
CPI rate +0.1%	14,659	11,277
CPI rate -0.1%	14,107	10,878
Salary rate +0.1%	14,858	11,111
Salary rate -0.1%	<u>13,918</u>	<u>11,039</u>

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

	2018 £ 000	2017 £ 000
Equities	3,881	2,758
Gilts	890	666
Other bonds	491	567
Property	720	440
Cash and other liquid assets	66	133
Other	<u>1,056</u>	<u>438</u>
Total market value of assets	<u>7,104</u>	<u>5,002</u>

The actual return on scheme assets was £146,000 (2017 - £595,000).

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

22 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2018 £ 000	2017 £ 000
Current service cost	3,126	1,610
Interest income	(164)	(89)
Interest cost	350	227
Admin expenses	4	3
Total amount recognised in the SOFA	<u>3,316</u>	<u>1,751</u>

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

	2018 £ 000	2017 £ 000
At start of period	11,075	10,241
Transferred in on existing academies joining the trust	3,013	715
Current service cost	1,333	2,199
Interest cost	350	227
Employee contributions	190	133
Actuarial (gain)/loss	(1,534)	(2,331)
Benefits paid	<u>(47)</u>	<u>(109)</u>
At 31 August	<u>14,380</u>	<u>11,075</u>

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

	2018 £ 000	2017 £ 000
At start of period	5,002	3,788
Transferred in on existing academies joining the trust	1,220	593
Interest income	160	86
Actuarial gain/(loss)	(18)	(472)
Employer contributions	597	394
Employee contributions	190	133
Benefits paid	<u>(47)</u>	<u>(109)</u>
Effect of non-routine settlements	-	589
At 31 August	<u>7,104</u>	<u>5,002</u>

23 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 2018 (continued)

23 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.

24 Transfer of existing academies into the Trust

Transfer 1

	Value reported by transferring academy trust £ 000	Fair value adjustments £ 000	Transfer in recognised £ 000
Tangible fixed assets			
Leasehold land and buildings	4,274	(874)	3,400
Furniture and equipment	20	-	20
Computer equipment	4	-	4
	<u>4,298</u>	<u>(874)</u>	<u>3,424</u>
Other assets			
Debtors due in less than one year	43	-	43
Cash in bank and in hand	249	-	249
	<u>292</u>	<u>-</u>	<u>292</u>
Liabilities			
Creditors due in less than one year	(145)	-	(145)
Pensions			
Pensions – pension scheme assets	554	-	554
Pensions – pension scheme liabilities	(1,364)	-	(1,364)
	<u>(810)</u>	<u>-</u>	<u>(810)</u>
Net assets/(liabilities)	<u>3,635</u>	<u>(874)</u>	<u>2,761</u>

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Teaching school trading account

	2018 £ 000	2017 £ 000
Income		
Direct Income		
Other income	182	149
Total Income	182	149
Expenditure		
Direct costs		
Direct staff costs	68	59
Other direct costs	81	82
Total direct costs	149	141
Other costs		
Other support costs	4	3
Total Expenditure	(153)	(144)
Surplus from all sources	29	5
Teaching school balances at 1 September 2017	7	3
Teaching school balances at 31 August 2018	36	8