

Torquay Boys' Grammar School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2015

Registration number: 07394671

Torquay Boys' Grammar School

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Abbreviations

TBGS	Torquay Boys' Grammar School
TA	Torquay Academy
TBGST	Torquay Boys' Grammar School Multi Academy Trust
MAT	Multi Academy Trust
CFO	Chief Financial Officer
RO	Responsible Officer
TPS	Teachers' Pension Scheme
NI	National Insurance

Torquay Boys' Grammar School

Reference and Administrative Details

Members Mr B Wills-Pope
 Mrs C Weston
 Mr V Flower
 Mr M Penfold
 Mr R Lidbetter
 Mrs A C Derbyshire
 Mrs L Critchlow

Trustees (Directors) Mr B Wills-Pope, Chair and Chair of Governors at TBGS
 Mrs C Weston, Vice Chair and Vice Chair of Governors at TBGS
 Mr V Flower, Chair of Governors at Torquay Academy
 Mr M Penfold, Chair of Finance Committee at TBGS
 Mr R Lidbetter, Chair of Land and Buildings Committee at TBGS
 Mrs A C Derbyshire, Chair of Curriculum Committee at TBGS
 Mrs L Critchlow, Vice Chair of Governors at Torquay Academy

Audit Committee Mr A Goward, Chair
 Mr P Roberts, Finance Committee at Torquay Academy
 Mr N Tampkin, Finance Committee and Responsible Officer at TBGS

Chief Executive Officer Mr R E Pike, (resigned 31 October 2014)

Chief Financial Officer Mrs C Beckett

Company Secretary Mr A S Medhurst

Torquay Boys' Grammar School

Reference and Administrative Details (continued)

TBGS Governors	Mr A Goward, (Community)	
	Mr A Hinds, (Community)	
	Mr D Hore, (Staff)	
	Mr T Milsom, (Community) (Resigned 31 August 2015)	
	Dr J Mulvey, (Staff) (Resigned 31 August 2015)	
	Mrs S Payne, (Parent)	
	Mr K Smith, (Staff)	
	Mrs J Stevens, (Parent) (resigned 30 September 2014)	
	Prof N Talbot, (Community)	
	Mr N Tampkin, (Community and Responsible Officer)	
	Mr J Bedford, (Parent)	
	TA Governors	Mr S Dobbs, (Other)
		Mr P Roberts, (Community)
Mrs A Rochford, (Community)		
Mrs T Ross, (Parent/Community)		
Mrs M Seymour-Hanbury, (Other)		
Mrs K Barton, (Community)		
Mr M Wibberley, (Community)		
Mr T Cowell, (Community) (resigned 31 December 2014)		
Miss S Pappin, (Staff) (resigned 14 June 2015)		
Mrs M Bray, (Staff)		
Mr C Mealey, (Community) (appointed 5 May 2015)		
Mr I Westwood, (Parent) (appointed 18 April 2015)		
Mr O Gratton, (Staff) (appointed 3 July 2015)		
Head Teacher	Mr P Lawrence	
Principal	Mr S Margetts	

Torquay Boys' Grammar School

Reference and Administrative Details (continued)

TBGS Senior Management Team	Mr P Lawrence, Headteacher Mr S J Dobbs, Deputy Head Mrs L V Kings, Deputy Head Mr A P Kosmaczewski, Deputy Head Dr S M Lee, Deputy Head Mr S Lyne-Ley, Acting Assistant Head Mr A S Medhurst, Business Manager
TA Senior Leadership Team	Mr S Margetts, Principal Mr E Pugh, Vice Principal Mr M Bindon, Vice Principal Mr G Harries, Assistant Principal Mr G Penrice, Assistant Principal Dr P Hocking, Assistant Principal Mr M Gale, Assistant Principal (appointed 1 September 2014) Mrs N Sanders, Assistant Principal at TA (appointed 1 September 2015) Mr L Withers, Assistant Principal (appointed 1 September 2015) Mr B Chadwick, Leader of Behaviour and Alternative Provision Mrs E Watling, Child Protection Officer Mrs C Beckett, Finance Director
Registered Office	Torquay Boys' Grammar School Shiphay Manor Shiphay Torquay TQ2 7EL
Company Registration Number	07394671
Auditors	Francis Clark LLP Chartered Accountants and Statutory Auditor Sigma House Oak View Close Edginswell Park Torquay TQ2 7FF

Torquay Boys' Grammar School

Reference and Administrative Details (continued)

Bankers	HSBC 4 Strand Torquay TQ1 2AB
	Lloyds 51-52 Fleet Street Torquay Devon TQ2 5DW
Solicitors	Stone King LLP 13 Queens Square Bath BA1 2HJ
	Michelmores LLP Woodwater House Pynes Hill Exeter EX2 5WR
	Boyce Hatton 58 The Terrace Torquay Devon TQ1 1DE

Torquay Boys' Grammar School

Trustees' Report for the Year Ended 31 August 2015

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates two academies for pupils aged 11 to 18. Torquay Boys' Grammar School (TBGS) has no specific catchment area and is a selective academy with entry by examination. Torquay Academy (TA) serves a catchment area in Torquay and the immediate locality.

Torquay Boys' Grammar School has a pupil capacity of 1140 and a roll of 1097 in the school census in May 2015. Torquay Academy has a pupil capacity of 1200 and a roll of 971 on the school census in May 2015.

TBGST has a combined pupil capacity of 2340 and had a roll of 2068 in the census in May 2015.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity, and was incorporated on 1 October 2010. TBGS was granted Academy status on 1 November 2010 and became a Multi Academy Trust (MAT) on 1 September 2012 with the inclusion of TA, as a Sponsored Academy by TBGS. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Torquay Boys' Grammar School Trust (TBGST) are also the directors of the charitable company for the purposes of company law.

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

The Trustees appoint a Local Governing Body to serve at each school, assisting the Trustees. Details of the Local Governing Bodies along with the Senior Leadership Teams are shown within the Reference and Administrative Details on pages 2 and 3.

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 MAT through its Articles has indemnified its Trustees and Governors to the fullest extent permissible by law. During the period the MAT also purchased and maintained liability insurance for its trustees.

Method of recruitment and appointment or election of Trustees

Recruitment and appointment of Trustees is currently through the position of Chair of Governing Body committees at TBGS along with the Chair and Vice Chair of Governors for each constituent academy. There have been no changes to membership in the last year.

Torquay Boys' Grammar School

Trustees' Report for the Year Ended 31 August 2015

Policies and procedures adopted for the induction and training of Trustees

The Trustees have considered very carefully whether any changes need to be made to the constitution of the MAT Board of Trustees or Governance of each academy. It has been decided that none are necessary at present as there is no intention currently to expand the Multi-Academy Trust.

A skills audit has taken place at Local Governing Body level to review the breadth of professionalism within the Governing Bodies. This information will underpin the appointment of new Governors who in turn support the work of the Trustees.

Currently, Trustees are appointed by virtue of their position as Chair and Vice Chair of the Local Governing Bodies plus Chairs of Committees at TBGS.

All Trustees are offered the opportunity to attend Governor and other training sessions. In the last year this has included attending the National Governors Association meeting where the Regional Education Commissioner was speaking. Trustees are also invited to visit the academies whilst in session to help them understand the daily routines of the individual schools.

Principal Activities of the Trust

The principal activity of the Trust is to provide education of the highest quality to the students of the schools as set out in the articles and funding agreement. In delivering this provision we will endeavour to:

- Retain academic results comparable to the highest quality in the country at the Grammar School (TBGS)
- To pursue the highest standard of Teaching and Learning across the MAT
- To encourage all students to aspire to achieve their maximum potential
- To provide pastoral care and guidance from expert staff
- To promote the highest endeavour and skill in sport, expressive and creative activities
- To fully resource the academies in all their activities
- To maintain and improve both local and national reputation
- To maintain and improve the 'Outstanding' quality at TBGS as identified by Ofsted in 1996, 2003 and 2007 and through the sponsorship by TBGS to work to achieve a similar result at TA.
- To encourage and promote transitional activities with local feeder schools in order to build relationships and improve transition between the schools.

Torquay Boys' Grammar School

Trustees' Report for the Year Ended 31 August 2015

Organisational structure

Torquay Boys' Grammar School (TBGS) is the founder member of the multi academy trust and the sponsor school for Torquay Academy. There are no other external organisations connected to the Trust.

TBGS is a successful grammar school and features in the top 20 grammar schools in the country. It is a member of the South West Academic Trust and of the Boys' Academic Selective Schools organisation.

Torquay Academy is a non-selective school in an area of selective education. It serves an area of high social need and within its student population 46% qualify for Pupil Premium funding, compared to 8% Pupil Premium at TBGS in the year. The percentage at TBGS is rising following successful outreach work by TBGS in primary schools targeting pupil premium students to raise aspirations.

Torquay Academy is a member of PiXL, Challenge Partners, Uncommon Schools, Torbay Learning Alliance and the Devon Learning Alliance. TA values these memberships to support its aspirational target to be recognised as 'Outstanding' by Ofsted.

Each academy has its own Governing Body who support the local Senior Leadership Teams to make both strategic and day to day operational decisions. The Headteacher / Principal of each academy reports to Trustee meetings on current progress.

Following the permanent appointment of Mr Peter Lawrence as Headteacher of TBGS in September 2014, the role of Chief Executive Officer finished in October 2014 and the role of Accounting Officer reverted to the Headteacher of the grammar school.

Collaboration between the academies within the Trust and with local primary schools has continued to increase. In particular, TA works with its feeder primaries in the areas of Literacy, Numeracy and Science. Other areas of collaboration are being explored and all local Year 5 children had the opportunity to spend a day at Torquay Academy. In total 600 students attended on the 3 days offered.

The Board of Trustees receive regular reports from the Headteachers and the CFO and has strategic oversight of the Trust.

Objectives and activities

Objects and aims

Through high quality Teaching and Learning and the opportunities that are afforded to the students, the key objectives for the students of the MAT are:

- To embrace the love of learning
- To develop their own creative talents and have the opportunity to extend these beyond the classroom
- To fulfil their intellectual potential by providing opportunities to extend their horizons
- To provide individuals skills to respond to a changing world with confidence and humility
- To encourage reflection, open-mindedness and principles that will enable each individual to make a positive contribution to their community and beyond.

Torquay Boys' Grammar School

Trustees' Report for the Year Ended 31 August 2015

Objectives, strategies and activities

To enable the MAT to achieve its objectives, we are committed to appointing the highest quality staff with a broad range of skills and experience. Continued professional development is encouraged for all staff to maximise their potential to ensure the students are able to achieve their full potential.

At TBGS the School Development Plan reflects the need to embrace the changes in school accountability measures by focusing on the importance of targeted interventions for any underachieving student as identified by sensitive use of all available performance data. There are no such thing as pivotal pupils, it is important to maximise the potential of all students. Furthermore, at TBGS there will be a renewed emphasis on the performance of students from year 7 upwards as establishing excellent learning habits from the start is the key to sustained success.

The TA 2020 Vision, as set out under the leadership of Mr S Margetts, continues to underpin the rapid progress that TA has experienced during the year. Strategies include improvements in behaviour, teaching and learning and the outcomes and aspirations of all students. These strategies have been reflected in the calm ambience of the school, the changing ethos of students and their desire to achieve and the 2015 GCSE results. These changes were recognised during an unannounced visit by Ofsted in March 2015 and subsequently by Sir David Carter, the South West Regional Education Commissioner during his visit in May 2015. The 2020 Vision is the foundation for all improvement strategies which TA are rigorously embracing and implementing via their Academy Improvement Plan.

Public benefit

The MAT uses the expertise within the staffing to strengthen the links with local primary schools in Torbay and the surrounding area. This is demonstrated through:

- Work of the Literacy and Numeracy Co-ordinators to improve access to the curriculum by transitional work with KS2 students prior to starting Secondary education
- Improving participation in Science by developing access to specialist facilities for KS2 students
- Working with Primary students through the 'Multi-Academy Trust championing Health, Education and Sport', (Matches) programme to promote physical wellbeing, engagement, development and competitive activities providing specialist instruction and facilities
- Continuous professional development working with primary teachers to support Gifted and Talented programmes in the Primary schools
- Improving outcomes for vulnerable students through dedicated and specialist staff who are able to ensure provision of appropriate support and resources
- Provision of subsidised music lessons
- Supporting students from low income families to enable them to access activities which may otherwise be out of their reach.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have regard to the public benefit guidance provided by the Charity Commission.

Torquay Boys' Grammar School

Trustees' Report for the Year Ended 31 August 2015

Strategic Report

Strategic oversight of the MAT is provided by the regular meetings of the Board of Trustees.

The stability of the new senior leadership teams under the relatively newly appointed Headteacher and Principal has provided the opportunity to embed robust policies and procedures which will strengthen and improve the outcomes of all students.

In addition, robust financial planning under the direction of the Chief Financial Officer will enable the Trust to ensure financial viability going forward.

Trustees receive reports from each of these key postholders at their regular meetings, ensuring that they are kept informed of all key operational areas.

Achievements and performance

Key performance indicators

TBGS continues to have outstanding academic performance at GCSE, A Level and the International Baccalaureate (IB). Achievements of the students are shown below:

A Level - 128 Students sat A2 exams with a 99.5% Pass rate with 74.2% passing at A*/A/B

IB - 31 students sat the IB Diploma with 100% Pass rate and an average score of 36 points against an International average of 29 points

GCSE - 155 students sat GCSE exams with 99.4% passing with 5 A* to C grades including English and Maths and 57.08% of all grades were A*/A.

The success of the IB compared to national average and the increasing popularity of this qualification amongst students both internally and externally is a particular strength for the sixth form.

At Torquay Academy the results saw a significant improvement thanks to the hard work of both students and staff and the many targeted improvement interventions.

There were nineteen students in the cohort completing their 6th form studies. This was the first year that sixth form took A Levels. Each of these has successfully moved to the next stage of their development. Twelve students have continued to University and the remainder have either secured employment or obtained apprenticeships or internships.

GCSE – 170 students took GCSE's. 91% of students achieved A* - C in English, 75% in Maths and 50% achieved 5A* - C including English and Maths. This was an improvement of 22% over 2014 making it one of the three most improved schools in the South West.

Pupil Premium and SEN students both achieved well with the gap in achievement below the national average.

During the academic year overall attendance at TBGS was 94.5% in the lower school, this was an improvement from the previous year from 93.3%. The whole school attendance was 89.1% compared with 88.7% the previous year.

Attendance at TA during the academic year was 93.6%. This is an improvement from the previous year of 1.0%. Strategies to improve attendance included dedicated Inclusion Officers who relentlessly follow up all absence. Support for gradual return to school for school refusers is in place and also where medical conditions prevent full attendance.

Torquay Boys' Grammar School

Trustees' Report for the Year Ended 31 August 2015

Strategic Report

Going concern

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

Financial review

Incoming resources for the period totalled £12,614,000, (2014 £12,152,000), and resources expended totalled £13,271,000 (2014 £13,122,000). After a loss of £34,000 (2014 loss of £368,000) on the LGPS pension scheme the net movement in funds for the period was a decrease of £691,000 (2014 decrease of £1,338,000).

Liquid assets of the MAT indicate that there are sufficient funds to maintain the successful operation of the academies as Going Concerns.

Reserves policy

The Trustees will aim to hold a reserve of 3 – 5% to enable it to manage any changes to funding levels without the need to suddenly reign back expenditure. This will allow for fluent delivery of education year on year. Reserves in excess of this amount will only be held if prudent to do so, to save for a specific project and where by doing so does not impact on the education of the incumbent cohort.

A Sink Fund has been created to ensure that the All Weather Pitch at TA can be adequately maintained and refurbished as required.

Investment policy

The Trustees have determined that the funds available are sufficient for the day to day running of the schools. Any funds not required for immediate expenditure may be transferred to low risk, short term deposits with existing banks to maximise interest receipts. All other funds are held in current accounts and should not be exposed to high risk investments.

Torquay Boys' Grammar School

Trustees' Report for the Year Ended 31 August 2015

Strategic Report

Principal risks and uncertainties

Three significant risks and uncertainties have been identified:

1. Uncertainty of public funding for education establishments is common across the country with funding not confirmed for future years. This is exacerbated by the recent increase in TPS employer contributions as well as impending NI increases which have been announced but for which no additional central funding will be available. This could put pressure on our ability to retain the level and experience of staff to maintain and improve outcomes. Continual scrutiny of all expenditure and income opportunities and three year budget forecasts will help to minimise the impact of these funding issues.
2. A significant change in student numbers as a result of either changes to national policy or popularity which may result from changing Ofsted ratings. TBGS may be affected in particular by changes to 16-18 opportunities as more options are presented through national strategies. TA continues to have an increasing roll despite their current Ofsted rating. This is testament to the work of the Leadership to relentlessly drive achievement up in all areas, striving for each individual to reach their potential. It is necessary that there is no complacency as history has shown that popularity and perception of the school can have a massive impact on numbers.
3. The increasing popularity of TA combined with the growing Sixth Form will shortly result in the school being at full capacity. This is under constant review by the Trustees as to how best to manage this positive challenge.

Plans for future periods

At TBGS the curriculum is under review both at Key Stage 4 and Post 16 in the light of specification changes and the introduction of Progress 8 as an accountability measure. In the last year the number of students studying the International Baccalaureate has continued to grow with an increasing number of external students choosing to join the sixth form to study the IB. The continued success of this qualification compared to the National average is a key factor. This continues to be highly relevant qualification for university entry as evidenced by the higher proportion of students receiving offers from Russell group universities.

Following a review of the curriculum offering at TA a decision has been made to operate a two year KS3 and increase KS4 to three years. This change will be effective from September 2015 and should provide for a more robust teaching of the key skills and learning techniques for each of the chosen disciplines.

Post 16 courses are continually being reviewed to ensure that the progression of the relatively new sixth form adapts to the needs of the growing Post 16 population. Intake into Year 12 in 2015 has grown by 33% year on year and a greater focus on Level 3 over Level 2 courses has been necessary.

Torquay Boys' Grammar School

Trustees' Report for the Year Ended 31 August 2015

Funds held as Custodian Trustee on behalf of others

The Trust holds funds only for the benefit of the Trust and the academies' population for the provision of education.

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.

Approved by order of the members of the Board of Trustees on 24 Dec 15 and signed on its behalf by:



Mr B Wills-Pope
Trustee

Torquay Boys' Grammar School

Governance Statement

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher of TBGS, 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 TBGST 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 Governors/Trustees Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of a possible
Mr B Wills-Pope	5	5
Mrs C Weston	3	5
Mr M Penfold	5	5
Mrs A C Derbyshire	5	5
Mr R Lidbetter	4	5
Mr V Flower	4	5
Mrs L Critchlow	4	5

In addition to the Trustees listed above, the following also attended the meetings of the Board of Trustees. Attendance was as follows:

Mr R E Pike (CEO and Accounting Officer)	1	1
Mr P Lawrence (Headteacher at TBGS and Accounting Officer)	5	5
Mr S Margetts (Principal, Torquay Academy)	5	5
Mrs C Beckett (Chief Finance Officer)	5	5
Mr A S Medhurst (Company Secretary)	4	5

The Board of Trustees has remained unchanged throughout the year except that Mr R Pike resigned as CEO and Accounting Officer on 31 October 2014. Mr P Lawrence the Headteacher of TBGS succeeded to the role of Accounting Officer at this time.

Governance reviews

Trustees have discussed the constitution of the Trust and the future appointment of Trustees. It has been agreed that no change should be made to the format of Governance however, a document has been produced giving clarity over accountability and responsibility of both the Trustees and the Local Governing Bodies.

Torquay Boys' Grammar School

Governance Statement (continued)

Each member academy has a finance committee which reports to the full governing body of the respective academy. Each committee in turn reports to the Board of Trustees through the chairs of the committees, who are each also trustees of the board. The purpose of the finance committees is to oversee the management of the academy's finances and ensure probity, regularity and best value of all the academy's resources. The finance committees' membership provide challenge to the financial leadership to enable them to in turn provide reassurance to the Trustees.

During the year the finance governors of each academy were as follows. The number of attendances is shown from the possible meetings:

	Meetings attended	Out of a possible
Governor (TBGS)		
Mr B Wills-Pope	3	4
Mr M Penfold	4	4
Mrs A C Derbyshire	4	4
Mrs C Weston	4	4
Mr R Lidbetter	4	4
Dr J Mulvey	4	4
Governor (TA)		
Mr V Flower	4	5
Mrs L Critchlow	4	5
Mr S Dobbs	4	5
Mr P Roberts (agreed sabbatical)	1	5
Mr T Cowell	-	2
Mrs M Bray	5	5
Mr M Wibberley	4	5
Mr I Westwood	1	1

Torquay Boys' Grammar School

Governance Statement (continued)

In addition to the governors listed above, the following were also present at the meetings of the Local Governing Bodies. Attendance was as follows:

Mr P Lawrence (Headmaster, TBGS)	4	4
Mr S Margetts (Principal, Torquay Academy)	5	5
Mrs C Beckett (Chief Finance Officer, Torquay Academy)	5	5
Mr A S Medhurst (Company Secretary and Business Manager, TBGS)	4	4

The Audit Committee is a sub-committee of the main Board of Trustees. The audit committee has met once during the year. The audit committee reports directly to the Board of Trustees. Its purpose is to receive and consider Responsible Officer reports and provide assurance to the Trustees on the probity and regularity of all academy transactions.

The Responsible Officer at TBGS also reports direct to the Finance Committee at TBGS. Attendance at meetings during the year was as follows:

Governor	Meetings attended	Out of a possible
Mr A Goward	3	3
Mr P Roberts	2	3
Mr N Tampkin	3	3

Review of Value for Money

I accept that as accounting officer of Torquay Boys' Grammar School Multi Academy Trust (TBGST) I am responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how we have ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

Educational standards

The key focus of TBGST is to ensure that the outstanding academic performance at Torquay Boys' Grammar School (TBGS) is maintained and that the achievements at Torquay Academy (TA) continue to improve. Continual review of both the staffing structure and the teaching and learning practices and outcomes in both academies ensure that Value for Money is achieved. Where improvements or change are deemed to be necessary the options will be considered taking account of the resources used and the outcomes that will be expected.

Torquay Boys' Grammar School

Governance Statement (continued)

Targeted Improvement:

At TBGS we continue to have outstanding success at GCSE, A Level and the International Baccalaureate (IB). The IB is continuing to prove popular and in 2015 100% of students achieved the IB with an average score of 36 points against an International average point score of 29. To maintain the high standards of the core subjects at GCSE extra time has been given to Maths and Science and extra teaching groups to English. The school development plan identifies targeted interventions for any student identified as underachieving as the way to ensure continued improvement to student progress. The school progress 8 measure improved from 0.32 in 2014 to 0.41 in 2015.

At TA 46% of all students are entitled to Pupil Premium. Thus to ensure that the focus is on narrowing the gap for these students we have taken the decision to increase the number of class sets in core subjects, Mathematics and English. This ensures that smaller group teaching allows for greater individual support. In addition small group and 1-2-1 interventions are used as appropriate. The results for 2015 saw the gap narrow for GCSE 5+ A* - C from 15% to 8% compared to a National average of 26%. The number of Pupil Premium students achieving more than the expected progress at GCSE in Mathematics rose from 10% to 32% and in English 24% to 55% between 2014 and 2015. In addition the number of all students achieving more than expected progress at GCSE in Mathematics rose from 15% in 2014 to 31% in 2015.

At TA the new sixth form is growing and a wide variety of courses are offered, at both Level 2 and Level 3 with the aim of reducing the numbers of NEETs. By introducing sixth form provision at TA we have been able to attract a greater range of staffing to the Academy who wish to teach at KS5 as well as at KS3 and KS4. The year saw the graduation of our first cohort of sixth form students. Twelve of the nineteen students secured university places. All the others either went on to apprenticeships or employment, making this a very successful outcome.

Staffing

During 2014-15 academic year TA has significantly strengthened its Middle Leadership Team. This has been done intentionally to support the need to raise achievement for all students as well as standards of Teaching and Learning and help embed the strategies identified by the Senior Leadership team as fundamental to the continued improvement of outcomes across the school.

Staff training for all staff at TA has focussed on improving Teaching and Learning skills and consistency of practice in all areas.

Collaboration

During the year the Headteachers have continued to work together to determine the best means of collaboration between the sponsor school and the sponsored school. Consequently the heads of a number of curriculum areas have met to share good practice, discuss moderation and for support to be offered. However, the difference in the profile of the students of the two schools does mean that the strategies can be significantly different.

Sixth form students from the TBGS have mentored Year 7 students at TA during the year. This has proved a very successful initiative that will continue.

Collaboration with primary schools continues to ensure that transition to secondary is a positive experience and that learning outcomes are paramount.

Torquay Boys' Grammar School

Governance Statement (continued)

Transition

Approx. 75% of all students joining TA in the current Year 7 attended the Summer School at TA. This offered them the opportunity to meet their new peer group, familiarise themselves with their new environment and the routines and expectations of them. This meant that on joining the school they were able to settle down to learning from day one and reduced the number of issues arising from the upheaval of a new school. This was considered excellent value for the resources expended and both the staff and students benefited from the experience.

Purchasing

During the year particular attention has been given to resources and services that are used. When contracts have come up for renewal cost comparisons have been carried out and where the providers differ between the schools consideration has been given to whether joint procurement will lead to economies of scale and if the contracts can be combined.

Financial governance and oversight

The governance structure of TBGST allows for local governance of the individual academies with an over-arching Board of Trustees, representing both academies, which ensures good, shared practice.

The Chief Financial Officer has oversight of all financial aspects of TBGST and aims to ensure uniformity of policies and procedures, including delivering Value for Money in all aspects of the Trust's work. The Financial Management Policy was reviewed and updated during the year. These will continue to be reviewed and updated regularly. Regular meetings of the Trustees ensures that they are all aware of the financial position of both schools and that where differences in practices between the schools exist they are discussed to ensure a satisfactory outcome is achieved.

The Trust's system of financial control is based on a framework of delegation and accountability which includes:

- an annual budget based on the School improvement Plan
- regular monitoring of the budget both at senior leadership and governor level
- oversight of both academies finances by the Board of Trustees
- financial procedures relating to all financial aspects including purchasing, income, and payroll

Effectiveness of the financial controls is informed by:

- Responsible Officer reports
- Internal audit reports
- the audit committee
- external auditors

Value for Money underpins decision making by both governors and senior managers. These include decisions on:

- the allocation of resources to promote the aims and values of TBGST
- the targeting of resources to improve standards and the quality of provision of teaching and learning
- the use of resources to support the educational needs of all students
- all support functions of the academies

Torquay Boys' Grammar School

Governance Statement (continued)

Chief Executive Officer (CEO)

Following the resignation of the Chief Executive Officer (CEO)/Accounting Officer in October 2014 the Headteacher of TGBS succeeded to the role of Accounting Officer. The role of CEO was not replaced.

Reviewing controls and managing risk

TBGST has appointed Francis Clark LLP as external auditors and they have also been entrusted with the provision of financial advice. To ensure uniformity of financial procedures across the Trust, the Chief Financial Officer oversees the financial procedures and controls within the academies. The CFO works with both academies and reports to Trustees.

The risk registers are reviewed on an ongoing basis to ensure that risks are identified and monitored and their effects mitigated.

During the year the Trust has been able to place surplus funds in high interest deposits with no risk, to maximise investment income whilst minimising risk to the 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 the 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 Torquay Boys' Grammar School for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. Internal control systems have been reviewed through the year with the update of the Financial Management Policy and Financial Procedures Manual for the MAT. Both documents comply with the Academies Financial Handbook and the requirements of the Accounts Direction.

Capacity to handle risk

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

Monitoring and Review

The following actions throughout the year provide assurance to the Accounting Officer that funds are efficiently, effectively and economically utilised.

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are considered by the senior leadership teams and brought to finance and trustee meetings;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Torquay Boys' Grammar School

Governance Statement (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- Neil Tampkin, as Responsible Officer for Torquay Boys' Grammar School;
- to appoint Devon Audit as internal auditor for Torquay Academy

The internal auditor's/RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The auditor/RO reports to the Board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of effectiveness

As Accounting Officer, the Headteacher, 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 responsible officer / internal auditor ;
- the work of the external auditor;
- 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 Committee and the Finance Committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Responsible Officer for TBGS reported on:

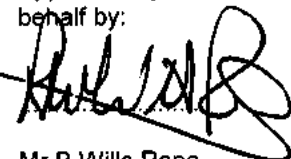
October 2014
March 2015
June 2015

An internal audit was carried out for Torquay Academy in:

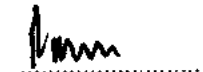
May 2015

Any issues raised by the RO or internal auditor are being or have been addressed and do not represent a concern to the financial management of the trust.

Approved by order of the members of the board of trustees on 9th Dec 15 and signed on its behalf by:



Mr B Wills-Pope
Trustee



Mr P Lawrence
Accounting Officer


Torquay Boys' Grammar School

Statement on Regularity, Propriety and Compliance

As accounting officer of Torquay Boys' Grammar School I have considered my responsibility to notify the Academy Trust Trustee Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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.

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

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 Trustee Body and EFA.



.....
Mr P Lawrence
Accounting Officer

Torquay Boys' Grammar School

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors/Trustees Report and the financial statements in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

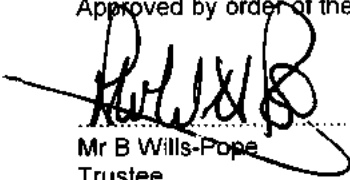
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Trustee Body on ^{14 Dec 15} and signed on its behalf by:



Mr B Wills-Pope
Trustee

Torquay Boys' Grammar School

Independent Auditor's Report on the Financial Statements to the Members of Torquay Boys' Grammar School

We have audited the financial statements of Torquay Boys' Grammar School for the year ended 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. 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). The financial statements have been prepared under the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charity'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 21), the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors/Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Torquay Boys' Grammar School

Independent Auditor's Report on the Financial Statements to the Members of Torquay Boys' Grammar School (continued)

Matters on which we are required to report by exception

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

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

Francis Clark LLP

Sharon Austen (Senior Statutory Auditor)
For and on behalf of Francis Clark LLP, Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Date: *8 December 2015*

Torquay Boys' Grammar School

Independent Reporting Accountant's Report on Regularity to Torquay Boys' Grammar School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 21 November 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Torquay Boys' Grammar School during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Torquay Boys' Grammar School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Torquay Boys' Grammar School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Torquay Boys' Grammar School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 29 August 2012 and the Academies Financial Handbook, 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 review are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency. 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 has been designed to comply with the requirements set out in The Accounts Direction 2014 and 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

Torquay Boys' Grammar School

Independent Reporting Accountant's Report on Regularity to Torquay Boys' Grammar School and the Education Funding Agency (continued)

Conclusion

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

Francis Clark LLP

Francis Clark LLP
Reporting Accountant

Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Date: *8 December 2015*

Torquay Boys' Grammar School

Statement of Financial Activities for the Year Ended 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £ 000	Designated Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2015 £ 000	Total (As restated) 2014 £ 000
Incoming resources							
<i>Incoming resources from generated funds:</i>							
Voluntary income	2	17	-	11	158	186	48
Activities for generating funds	3	351	-	6	-	357	333
investment income	4	3	-	-	-	3	2
<i>Incoming resources from charitable activities:</i>							
Funding for the Academy Trust's educational operations	5	464	-	11,555	44	12,063	11,768
<i>Other incoming resources</i>							
Other incoming resources	6	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>1</u>
Total incoming resources		<u>840</u>	<u>-</u>	<u>11,572</u>	<u>202</u>	<u>12,614</u>	<u>12,152</u>
Resources expended							
<i>Cost of generating funds:</i>							
Costs of generating voluntary income		-	-	6	-	6	3
Fundraising trading		116	-	12	-	128	107
<i>Charitable activities:</i>							
Academy's educational operations		490	-	11,658	921	13,069	12,913
Governance costs	9	<u>-</u>	<u>-</u>	<u>68</u>	<u>-</u>	<u>68</u>	<u>99</u>
Total resources expended	7	<u>606</u>	<u>-</u>	<u>11,744</u>	<u>921</u>	<u>13,271</u>	<u>13,122</u>
Net incoming/(outgoing) resources before transfers		234	-	(172)	(719)	(657)	(970)

Torquay Boys' Grammar School

**Statement of Financial Activities for the Year Ended 31 August 2015
(Including Income and Expenditure Account and Statement of Total
Recognised Gains and Losses) (continued)**

	Note	Unrestricted Funds £ 000	Designated Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2015 £ 000	Total (As restated) 2014 £ 000
Gross transfers between funds		<u>(17)</u>	<u>20</u>	<u>(142)</u>	<u>139</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the year		217	20	(314)	(580)	(657)	(970)
Other recognised gains and losses							
Actuarial (losses)/gains on defined benefit pension schemes	28	<u>-</u>	<u>-</u>	<u>(34)</u>	<u>-</u>	<u>(34)</u>	<u>(368)</u>
Net movement in funds/(deficit)		217	20	(348)	(580)	(691)	(1,338)
Reconciliation of funds							
Total Funds/(deficit) brought forward at 1 September 2014		<u>661</u>	<u>20</u>	<u>(1,719)</u>	<u>39,020</u>	<u>37,982</u>	<u>39,320</u>
Total Funds/(deficit) carried forward at 31 August 2015		<u>878</u>	<u>40</u>	<u>(2,067)</u>	<u>38,440</u>	<u>37,291</u>	<u>37,982</u>

All of the Academy Trust's activities derive from continuing operations during the above two periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

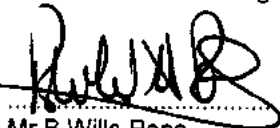
Torquay Boys' Grammar School

(Registration number: 07394671)

Balance Sheet as at 31 August 2015

	Note	2015 £ 000	2014 £ 000
Fixed assets			
Tangible assets	15	38,440	39,000
Current assets			
Stocks	16	18	23
Debtors	17	514	350
Cash at bank and in hand		<u>1,482</u>	<u>1,269</u>
		2,014	1,642
Creditors: Amounts falling due within one year	18	<u>(758)</u>	<u>(577)</u>
Net current assets		<u>1,256</u>	<u>1,065</u>
Total assets less current liabilities		39,696	40,065
Creditors: Amounts falling due after more than one year	19	<u>(80)</u>	-
Net assets excluding pension liability		39,616	40,065
Pension scheme liability	28	<u>(2,325)</u>	<u>(2,083)</u>
Net assets including pension liability		<u>37,291</u>	<u>37,982</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		258	364
Restricted fixed asset fund		38,440	39,020
Restricted pension fund		<u>(2,325)</u>	<u>(2,083)</u>
		<u>36,373</u>	<u>37,301</u>
Unrestricted funds			
Unrestricted general fund		878	661
Unrestricted designated fund		<u>40</u>	<u>20</u>
		<u>918</u>	<u>681</u>
Total funds		<u>37,291</u>	<u>37,982</u>

The financial statements on pages 26 to 55 were approved by the Trustees, and authorised for issue on ~~31~~ 24 Dec 15 and signed on their behalf by:



Mr B Wills-Pope
Trustee

Torquay Boys' Grammar School

Cash Flow Statement for the Year Ended 31 August 2015

	Note	2015 £ 000	2014 £ 000
Net cash inflow from operating activities	23	344	70
Returns on investments and servicing of finance	24	3	2
Capital expenditure and financial investment	25	<u>(134)</u>	<u>(190)</u>
Increase/(decrease) in cash in the year	26	<u>213</u>	<u>(118)</u>

Reconciliation of net cash flow to movement in net funds

Increase/(decrease) in cash in the year	213	(118)
Net funds at 1 September 2014	<u>1,269</u>	<u>1,387</u>
Net funds at 31 August 2015	<u>1,482</u>	<u>1,269</u>

All of the cash flows are derived from continuing operations during the above two periods.

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015

1 Accounting policies

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 2014 to 2015 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 period of one year from the date of approval of the financial statements. Based on the level of funding for the new financial year, the Trustees are satisfied that the Academy will have sufficient resources and therefore believe that the financial statements should be prepared on a going concern basis.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

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 there is certainty of receipt and it is measurable.

Donations

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

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Other income

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

Donated services and gifts in kind

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

As a previous Foundation School, on the date of conversion to Academy Status, the freehold land and buildings from which the school operates were transferred to the Charitable Company for no consideration. The land and buildings were valued by a professional valuer and were valued to Existing Use Value using a Depreciated Replacement Cost approach. The land and buildings known as Torquay Boys' Grammar School were valued at £16,845,000 on 31 August 2011 and were not expected to be significantly different at 1 November 2010, the date the school converted to an Academy Trust. The land and buildings known as Torquay Academy were valued at £23,755,000 on 1 September 2012, the date the school joined the Academy Trust.

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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	Depreciation method and rate
Freehold buildings	2% and 10% straight line
Fixtures, fittings and equipment	Between 2 to 3 years straight line
Motor vehicles	25% straight line

Leased assets

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

Stock

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

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.

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. 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 quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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 Education Funding Agency/Department for Education/sponsor/other 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 Funding Agency/Department for Education.

Agency accounting

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Prior Year Adjustment

Following consultation with the EFA the Trust has changed the presentation of income from catering and school trips from Activities for Generating Funds and Voluntary Income to Funding for the Academy Trust's Educational Operations. This has resulted in the transfer of £744,000 in the comparative period. The presentation of costs of catering and school trips has been changed from Cost of Generating Funds and Costs of Voluntary Income to Academy's Educational Operations, resulting in the transfer of £745,000 in the comparative period. There is no impact upon the reported surplus, cash flows or reserves for any period presented.

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

2 Voluntary income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2015 £ 000	Total 2014 £ 000
Donations - capital	-	-	158	158	-
Other donations	17	11	-	28	48
	<u>17</u>	<u>11</u>	<u>158</u>	<u>186</u>	<u>48</u>

3 Activities for generating funds

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2015 £ 000	Total 2014 £ 000
Hire of facilities	169	-	169	167
School shop sales	58	-	58	42
Recharges and reimbursements	75	-	75	74
Other income	49	6	55	50
	<u>351</u>	<u>6</u>	<u>357</u>	<u>333</u>

4 Investment income

	Unrestricted funds £ 000	Total 2015 £ 000	Total 2014 £ 000
Short term deposits	<u>3</u>	<u>3</u>	<u>2</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

5 Funding for Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2015 £ 000	Total (As restated) 2014 £ 000
DfE/EFA capital grants					
Devolved Formula Capital	-	-	44	44	40
DfE/EFA revenue grants					
General Annual Grant (GAG)	-	10,510	-	10,510	10,060
Start Up Grants	-	200	-	200	362
16-19 Bursary Fund	-	-	-	-	29
Pupil Premium	-	465	-	465	408
Summer School	-	39	-	39	52
Year 7 Catch Up Grant	-	18	-	18	21
	<u>-</u>	<u>11,232</u>	<u>-</u>	<u>11,232</u>	<u>10,932</u>
Other government grants					
Other Government Grants	-	3	-	3	39
SEN from Local Authority	-	26	-	26	7
Dedicated Schools Grant	-	39	-	39	-
	<u>-</u>	<u>68</u>	<u>-</u>	<u>68</u>	<u>46</u>
Non-government grants and other income					
Other Grants	5	6	-	11	6
Educational Trips	-	249	-	249	312
Catering Income	459	-	-	459	432
	<u>464</u>	<u>255</u>	<u>-</u>	<u>719</u>	<u>750</u>
Total grants	<u>464</u>	<u>11,555</u>	<u>44</u>	<u>12,063</u>	<u>11,768</u>

Torquay Boys' Grammar School

**Notes to the Financial Statements for the Year Ended 31 August 2015
(continued)**

6 Other incoming resources

	Unrestricted funds £ 000	Total 2015 £ 000	Total 2014 £ 000
Insurance Income	-	-	1
Profit on sale of car	5	5	-
	<u>5</u>	<u>5</u>	<u>1</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

7 Resources expended

	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total 2015 £ 000	Total (As restated) 2014 £ 000
Costs of generating voluntary income	-	-	6	6	3
Costs of activities for generating funds	70	-	58	128	107
Academy's educational operations					
Direct costs	7,247	896	948	9,091	8,573
Allocated support costs	<u>2,285</u>	<u>711</u>	<u>982</u>	<u>3,978</u>	<u>4,340</u>
	9,532	1,607	1,930	13,069	12,913
Governance costs including allocated support costs	<u>55</u>	<u>-</u>	<u>13</u>	<u>68</u>	<u>99</u>
	<u>9,657</u>	<u>1,607</u>	<u>2,007</u>	<u>13,271</u>	<u>13,122</u>

Net incoming/outgoing resources for the year include:

	2015 £ 000	2014 £ 000
Operating leases - other	32	32
Fees payable to auditor - audit	13	7
Fees payable to auditor - other audit services	<u>7</u>	<u>4</u>

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook, being delegated authority or approval from the Education Funding Agency.

Resources expended	Total £	Items above £5,000 £	Reason
Ex-gratia payments	5,890	5,890	A gift in recognition of their long service and achievements to the success of the school (and the academy)

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

8 Charitable activities

	Total 2015 £ 000	Total 2014 £ 000
Direct costs - educational operations		
Teaching and educational support staff costs	7,247	6,616
Depreciation	896	942
Technology costs	121	144
Educational supplies	383	389
Examination fees	233	200
Staff development	53	71
Educational consultancy	125	181
Other direct costs	33	30
	<u>9,091</u>	<u>8,573</u>
Support costs - educational operations		
Support staff costs	2,114	2,481
FRS 17 service cost adjustment	171	169
Technology costs	28	11
Recruitment and support	41	41
Maintenance of premises and equipment	268	250
Cleaning	39	41
Rent and rates	129	109
Energy costs	207	199
Insurance	68	91
Security and transport	32	38
Catering	273	274
Bank interest and charges	7	2
Expected return on scheme assets	(137)	(115)
Interest on defined benefit pension scheme	174	165
Other support costs	564	584
	<u>3,978</u>	<u>4,340</u>
Total direct and support costs	<u>13,069</u>	<u>12,913</u>

In the accounts for the year ended 31 August 2014, technology costs were included within maintenance of premises and equipment and other support costs. In the current year's accounts, technology costs are shown separately.

Torquay Boys' Grammar School

**Notes to the Financial Statements for the Year Ended 31 August 2015
(continued)**

9 Governance costs

	Restricted funds £ 000	Total 2015 £ 000	Total 2014 £ 000
Auditors' remuneration			
Audit of financial statements	13	13	7
Support costs	<u>55</u>	<u>55</u>	<u>92</u>
	<u>68</u>	<u>68</u>	<u>99</u>

10 Staff

	2015 £ 000	2014 £ 000
Staff costs during the year were:		
Wages and salaries	7,695	7,521
Social security costs	600	566
Pension costs	1,186	1,149
Supply teacher costs	134	142
Compensation payments	<u>42</u>	<u>53</u>
	<u>9,657</u>	<u>9,431</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £42,000 (2014: £52,825). Individually, the payments were:

Non-statutory payments £12,000

Non-statutory payments £6,000

Non-statutory payments £3,000

Non-statutory payments £21,000

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

10 Staff (continued)

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

	2015 No	2014 No
Charitable Activities		
Teachers	163	160
Administration and Support Staff	63	70
Management	19	18
	<u>245</u>	<u>248</u>

The number of employees whose emoluments (excludes pension contributions) fell within the following bands was:

	2015 No	2014 No
£60,001 - £70,000	4	3
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>2</u>	<u>1</u>

6 (2014 - 5) of the above employees participated in the Teachers' Pension Scheme.

11 Central services

No central services were provided by the Academy Trust to its academies during the period and no central charges arose.

12 Related party transactions - Trustees' remuneration and expenses

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

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

12 Related party transactions - Trustees' remuneration and expenses (continued)

Mr R E Pike (Headmaster (resigned on 31 December 2013) & CEO (appointed on 1 January 2014 and resigned 31 October 2014)):

Remuneration: £10,000 - £15,000 (2014 - £90,000 - £95,000)

Employer's pension contributions: £0 - £5,000 (2014 - £10,000 - £15,000)

Mrs A C Derbyshire (Trustee):

Remuneration: £0 - £5,000 (2014 - £0 - £5,000)

Employer's pension contributions: £Nil (2014 - £Nil)

Mrs C Weston (Trustee):

Remuneration: £0 - £5,000 (2014 - £0 - £5,000)

Employer's pension contributions: £Nil (2014 - £Nil)

During the year ended 31 August 2015, travel and subsistence expenses totalling £210 (2014 - £320) were reimbursed or paid directly to 2 Trustees (2014 - 2).

Other related party transactions involving the Trustees are set out in note 29.

13 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors 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 and the cost for the year ended 31 August 2015 was £2,000 (2014 - £4,000).

The cost of this insurance is included in the total insurance cost.

14 Connected charities

TBGS Charitable Trust is a connected charity and it is related to the Academy Trust as follows: the trust has a general purpose of raising funds in order to provide facilities for the school and local community. The figures below are extracted from the accounts for the year ended 31 October 2014.

- The aggregate amount of the entity's assets is £249,000
- The aggregate amount of the entity's liabilities is £1,000
- The aggregate amount of the entity's funds is £248,000
- The total turnover of the entity is £49,000
- The total expenditure of the entity is £41,000
- Profit for the year is £8,000

Torquay Boys' Grammar School Parents' Association is a connected charity and it is related to the Academy Trust as follows: the association has a general purpose of organising fund raising events and social activities for the school for the benefit of Torquay Boys' Grammar School and its pupils.

- The aggregate amount of the entity's assets is £2,000
- The aggregate amount of the entity's liabilities is £Nil
- The aggregate amount of the entity's funds is £2,000
- The total turnover of the entity is £2,000
- The total expenditure of the entity is £2,000
- Profit for the year of £Nil

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

15 Tangible fixed assets

	Freehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Assets under construction £ 000	Total £ 000
Cost						
At 1 September 2014	40,770	237	27	411	-	41,445
Additions	152	91	25	33	35	336
Disposals	-	-	(27)	-	-	(27)
At 31 August 2015	<u>40,922</u>	<u>328</u>	<u>25</u>	<u>444</u>	<u>35</u>	<u>41,754</u>
Depreciation						
At 1 September 2014	1,964	144	26	311	-	2,445
Charge for the year	755	78	7	56	-	896
Eliminated on disposals	-	-	(27)	-	-	(27)
At 31 August 2015	<u>2,719</u>	<u>222</u>	<u>6</u>	<u>367</u>	<u>-</u>	<u>3,314</u>
Net book value						
At 31 August 2015	<u>38,203</u>	<u>106</u>	<u>19</u>	<u>77</u>	<u>35</u>	<u>38,440</u>
At 31 August 2014	<u>38,806</u>	<u>93</u>	<u>1</u>	<u>100</u>	<u>-</u>	<u>39,000</u>

16 Stock

	2015 £ 000	2014 £ 000
Catering	4	5
Shop stock	<u>14</u>	<u>18</u>
	<u>18</u>	<u>23</u>

Torquay Boys' Grammar School

**Notes to the Financial Statements for the Year Ended 31 August 2015
(continued)**

17 Debtors

	2015	2014
	£ 000	£ 000
Trade debtors	21	15
Prepayments	212	180
Accrued grant and other income	197	115
VAT recoverable	83	39
Other debtors	1	1
	<u>514</u>	<u>350</u>

18 Creditors: amounts falling due within one year

	2015	2014
	£ 000	£ 000
Trade creditors	150	105
Other taxation and social security	174	237
Salix Loan	6	-
Other creditors	21	14
Pension scheme creditor	148	64
Accruals	100	107
Deferred income	159	50
	<u>758</u>	<u>577</u>

	2015
	£ 000
Deferred income at 1 September 2014	50
Resources deferred in the period	159
Amounts released from previous periods	<u>(50)</u>
Deferred income at 31 August 2015	<u>159</u>

19 Creditors: amounts falling due after one year

	2015
	£ 000
Salix Loan	<u>80</u>

The Salix loan is a interest free loan which is repayable in equal instalments over 8 years.

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

20 Funds

	Balance at 1 September 2014 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2015 £ 000
Restricted general funds					
General Annual Grant	295	10,510	(10,509)	(102)	194
Pupil Premium	28	465	(469)	(15)	9
SEN/High Needs Income	-	26	(26)	-	-
Start Up Grants	-	200	(179)	(21)	-
16-19 Bursary Funding	3	-	-	(3)	-
School Fund/Trips	15	246	(245)	(16)	-
Music Memorial Fund	8	-	(1)	-	7
Confucius Classroom Fund	8	6	(4)	(3)	7
Summer School	-	39	(39)	-	-
Year 7 Catch Up Grant	-	18	(18)	-	-
Kieran Fund	7	-	-	-	7
Duke of Edinburgh Fund	2	9	(10)	-	1
Other Government Grants	(3)	3	(3)	3	-
Fitness Club	1	-	-	(1)	-
Other Grants	-	11	(14)	16	13
Dedicated School Grant	-	39	(19)	-	20
	<u>364</u>	<u>11,572</u>	<u>(11,536)</u>	<u>(142)</u>	<u>258</u>
Restricted fixed asset funds					
DfE/EFA Capital Grants	21	44	(25)	(20)	20
Inherited Fixed Asset Fund	38,645	-	(745)	-	37,900
Capital Expenditure from GAG	321	-	(107)	138	352
Capital Expenditure from Start Up Grant	14	-	(14)	21	21
Capital Expenditure from Other Government Grants	19	-	(19)	-	-
Donations	-	158	(11)	-	147
	<u>39,020</u>	<u>202</u>	<u>(921)</u>	<u>139</u>	<u>38,440</u>
Restricted pension funds					
Defined Benefit Pension Liability	<u>(2,083)</u>	<u>-</u>	<u>(208)</u>	<u>(34)</u>	<u>(2,325)</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

20 Funds (continued)

	Balance at 1 September 2014 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2015 £ 000
Total restricted funds	<u>37,301</u>	<u>11,774</u>	<u>(12,665)</u>	<u>(37)</u>	<u>36,373</u>
Unrestricted funds					
Unrestricted general funds	661	840	(606)	(17)	878
Unrestricted designated funds	<u>20</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>40</u>
Total unrestricted funds	<u>681</u>	<u>840</u>	<u>(606)</u>	<u>3</u>	<u>918</u>
Total funds	<u>37,982</u>	<u>12,614</u>	<u>(13,271)</u>	<u>(34)</u>	<u>37,291</u>

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

The Music Memorial Fund is to be used to fund music lessons for children.

The Confucius Classroom Fund is to be used towards promoting the teaching of Mandarin Chinese

The Kieran Fund is to be used as a hardship fund for pupils of Torquay Boys' Grammar School

The unrestricted designated fund is a sink fund that has been created to ensure that the All Weather Pitch at Torquay Academy can be adequately maintained and refurbished as required.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £ 000
Torquay Boys' Grammar School	480
Torquay Academy	<u>696</u>
Total before fixed assets and pension reserve	1,176
Restricted Fixed Asset Fund	38,440
Defined Benefit Pension Liability	<u>(2,325)</u>
Total	<u>37,291</u>

Analysis of academies by cost

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

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

20 Funds (continued)

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total £ 000
Torquay Boys' Grammar School	3,838	936	180	1,137	6,091
Torquay Academy	<u>3,409</u>	<u>1,233</u>	<u>203</u>	<u>1,439</u>	<u>6,284</u>
Academy Trust	<u>7,247</u>	<u>2,169</u>	<u>383</u>	<u>2,576</u>	<u>12,375</u>

21 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	38,440	38,440
Current assets	918	1,096	-	2,014
Current liabilities	-	(758)	-	(758)
Creditors over 1 year	-	(80)	-	(80)
Pension scheme liability	-	(2,325)	-	(2,325)
Total net assets	<u>918</u>	<u>(2,067)</u>	<u>38,440</u>	<u>37,291</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

22 Financial commitments

Operating leases

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

Operating leases which expire:

	2015 £ 000	2014 £ 000
Other		
Within one year	2	4
Within two to five years	25	30
	<u>27</u>	<u>34</u>

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

	2015 £ 000	2014 £ 000
Net expenditure	(657)	(970)
Depreciation	896	942
Donated capital and capital grants	(202)	(40)
Interest receivable	(3)	(2)
FRS 17 expected return on scheme assets	(137)	(115)
FRS 17 interest on defined benefit pension scheme	174	165
FRS17 service cost adjustment	171	169
Decrease/(increase) in stocks	5	(4)
(Increase)/decrease in debtors	(164)	80
Increase/(decrease) in creditors	261	(155)
Net cash inflow from operating activities	<u>344</u>	<u>70</u>

24 Returns on investments and servicing of finance

	2015 £ 000	2014 £ 000
Interest received	3	2
Net cash inflow from returns on investments and servicing of finance	<u>3</u>	<u>2</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

25 Capital expenditure and financial investment

	2015 £ 000	2014 £ 000
Purchase of tangible fixed assets	(336)	(230)
Capital grants from DfE	44	40
Capital funding received from sponsors and others	158	-
Net cash outflow from capital expenditure and financial investment	<u>(134)</u>	<u>(190)</u>

26 Analysis of changes in net funds

	At 1 September 2014 £ 000	Cash flows £ 000	At 31 August 2015 £ 000
Cash at bank and in hand	<u>1,269</u>	<u>213</u>	<u>1,482</u>

27 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.

28 Pension and similar obligations

The Academy'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 Devon County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 August 2013.

Contributions amounting to £148,000 (2014 - £64,000) 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

28 Pension and similar obligations (continued)

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £638,000 (2014: £622,000).

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

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a 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 2015 was £329,000 (2014 - £326,000), of which employer's contributions totalled £240,000 (2014 - £239,000) and employees' contributions totalled £89,000 (2014 - £87,000). The agreed contribution rates for future years are 17% for employers and 5.5% - 12.5% for employees.

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

28 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2015 %	At 31 August 2014 %
Rate of increase in salaries	4.50	4.50
Rate of increase for pensions in payment/inflation	2.70	2.70
Discount rate for scheme liabilities	4.00	3.90
Inflation assumptions (CPI)	2.70	2.70
RPI increases	<u>3.60</u>	<u>3.50</u>

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.1%	0.0%	- 0.1%
	£ 000	£ 000	£ 000
Adjustment to discount rate			
Present value of total obligation	4,716	4,825	4,937
Projected service cost	<u>405</u>	<u>415</u>	<u>425</u>
Adjustment to pension increases & deferred revaluation	+ 0.1%	0.0%	- 0.1%
	£ 000	£ 000	£ 000
Present value of total obligation	4,912	4,825	4,740
Projected service cost	<u>425</u>	<u>415</u>	<u>405</u>
	+ 0.1%	0.0%	- 0.1%
	£ 000	£ 000	£ 000
Adjustment to rate of salary growth			
Present value of total obligation	4,851	4,825	4,799
Projected service cost	<u>415</u>	<u>415</u>	<u>415</u>
	+ 1 Year	None	- 1 Year
	£ 000	£ 000	£ 000
Adjustment to mortality age rating assumption			
Present value of total obligation	4,952	4,825	4,702
Projected service cost	<u>426</u>	<u>415</u>	<u>405</u>

Torquay Boys' Grammar School

**Notes to the Financial Statements for the Year Ended 31 August 2015
(continued)**

28 Pension and similar obligations (continued)

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

	At 31 August 2015	At 31 August 2014
Retiring today		
Males retiring today	22.80	22.70
Females retiring today	26.10	26.00
Retiring in 20 years		
Males retiring in 20 years	25.10	24.90
Females retiring in 20 years	<u>28.40</u>	<u>28.30</u>

The Trust's share of the assets and liabilities in the scheme were:

	At 31 August 2015 £ 000	At 31 August 2014 £ 000
Equities	1,431	1,252
Gilts	124	116
Target Return Portfolio	325	305
Infrastructure	75	59
Other bonds	123	86
Property	268	204
Cash	58	43
Alternative Assets	<u>46</u>	<u>39</u>
Total market value of assets	2,450	2,104
Present value of scheme liabilities - funded	<u>(4,825)</u>	<u>(4,187)</u>
Deficit in the scheme	<u>(2,375)</u>	<u>(2,083)</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

28 Pension and similar obligations (continued)

The expected rates of return were:

	At 31 August 2015 %	At 31 August 2014 %
Equities	6.00	6.70
Gilts	6.00	3.00
Alternative Assets	6.00	5.90
Other bonds	6.00	3.60
Infrastructure	6.00	3.60
Property	6.00	5.90
Cash	6.00	2.90
Target Return Portfolio	<u>6.00</u>	<u>5.90</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was (£6,000) (2014 - £180,000).

The expected rates of return for 2015 are set equal to the discount rate (as per the forthcoming FRS102 disclosure requirements)

Amounts recognised in the statement of financial activities

	2015 £ 000	2014 £ 000
Current service cost	<u>411</u>	<u>408</u>
Total operating charge	<u>411</u>	<u>408</u>

Analysis of pension finance income/(costs)

	2015 £ 000	2014 £ 000
Expected return on pension scheme assets	137	115
Interest on pension liabilities	<u>(174)</u>	<u>(165)</u>
Pension finance costs	<u>(37)</u>	<u>(50)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£2,621,000) (2014 - (£2,587,000)).

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

28 Pension and similar obligations (continued)

Movements in the present value of defined benefit obligation

	2015 £ 000	2014 £ 000
At 1 September	4,187	3,275
Current service cost	411	408
Interest cost	174	165
Employee contributions	89	87
Actuarial (gains)/losses	(109)	269
Benefits paid	73	(17)
At 31 August	<u>4,825</u>	<u>4,187</u>

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

	2015 £ 000	2014 £ 000
At 1 September	2,104	1,779
Expected return on assets	137	115
Actuarial losses	(143)	(99)
Employer contributions	240	239
Employee contributions	89	87
Benefits paid	73	(17)
At 31 August	<u>2,500</u>	<u>2,104</u>

The estimated value of employer contributions for next period is £246,000 (2014 - £235,000).

History of experience adjustments

	2015 £ 000	2014 £ 000	2013 £ 000	2012 £ 000	2011 £ 000
Present value of defined benefit obligation	(4,825)	(4,187)	(3,275)	(1,447)	(989)
Fair value of scheme assets	2,500	2,104	1,779	832	658
Deficit in the scheme	<u>(2,325)</u>	<u>(2,083)</u>	<u>(1,496)</u>	<u>(615)</u>	<u>(331)</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

28 Pension and similar obligations (continued)

History of experience adjustments

	2015 £ 000	2014 £ 000	2013 £ 000	2012 £ 000	2011 £ 000
Experience adjustments arising on scheme assets	(143)	(99)	121	12	(1)
Experience adjustments arising on scheme liabilities	-	24	-	-	-

Comparative figures have not been restated as permitted by FRS 17.

29 Related party transactions

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

During the year the Academy Trust made the following related party transactions:

Susan's Flower Shop

(A business in which Mr B Wills-Pope has an interest)

Purchases of £156 (2014: £513) were made by the academy during the year. At the balance sheet date the amount due to Susan's Flower Shop was £77 (2014 - £Nil).

30 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the EFA. The balance for accounting period ending 31 August 2014 was £3,000. In the accounting period ending 31 August 2015 the trust received £39,000 and disbursed £19,000 from the fund. An amount of £23,000 is included in other creditors relating to undistributed funds that is repayable to EFA.