

Torquay Boys' Grammar School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016

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 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) Dr M Cash, (Community) (appointed 19 October 2015) Mr A Hinds, (Community) Mr D Hore, (Staff) Mr J Hunt, (Staff) (appointed 1 September 2015) Mrs S Payne, (Parent) Mr K Smith, (Staff) 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) (resigned 15 July 2016) Mrs T Ross, (Parent/Community) Mrs M Seymour-Hanbury, (Other) (resigned 30 September 2015) Mrs K Barton, (Community) (resigned 1 June 2016) Mr M Wibberley, (Community) Mrs M Bray, (Staff) Mr C Mealey, (Community) Mrs K Porter (appointed 14 December 2015) Mr I Westwood, (Parent) Mr O Gratton, (Staff)
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 Mr S Lyne-Ley, Assistant Head Mr J Bainbridge, Head of Sixth Form 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 Mrs N Sanders, Assistant Principal Mr L Withers, Assistant Principal Mr B Chadwick, Leader of Behaviour and Alternative Provision Mrs E Watling, Child Protection Officer Mrs C Beckett, Chief Financial Officer
Principal and Registered Office	Torquay Boys' Grammar School Shiphay Manor Shiphay Torquay TQ2 7EL
Company Registration Number	07394671
Independent Auditors	PKF Francis Clark Chartered Accountants and Statutory Auditor Sigma House Oak View Close Edginswell Park Torquay TQ2 7FF
Bankers	HSBC 4 Strand Torquay TQ1 2AB Lloyds 51-52 Fleet Street Torquay Devon TQ2 5DW

Torquay Boys' Grammar School

Reference and Administrative Details (continued)

Solicitors	Stone King LLP 13 Queens Square Bath BA1 2HJ
	Michelmores LLP Woodwater House Pynes Hill Exeter EX2 5WR

Torquay Boys' Grammar School

Governors/Trustees Report for the Year Ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. 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. This was the third year of sixth form provision and as such still is a growing and emerging sixth form. Torquay Academy is a sponsored academy.

Torquay Boys' Grammar School has a pupil capacity of 1140 and a roll of 1112 in the school census in May 2016. Torquay Academy has a pupil capacity of 1200 and a roll of 1081 on the school census in May 2016.

TBGST has a combined pupil capacity of 2340 and had a roll of 2193 in the census in May 2016.

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, on its conversion to academy status. 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. The charitable company is known as Torquay Boys' Grammar School.

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 page 2.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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

Governors/Trustees Report for the Year Ended 31 August 2016 (continued)

Policies and procedures adopted for the induction and training of Trustees

The Trustees have considered the position of future appointment of Trustees should the Trust expand and in the event of any resignations. The Trustees have decided to make no changes to the constitution of the MAT Board of Governors at the current time as there are no immediate plans to expand the MAT.

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 Fire Awareness, Safeguarding and Health and Safety Briefings. Trustees are also invited to visit the academies whilst in session to help them understand the daily routines of the individual schools.

Arrangements for setting pay and remuneration of key management personnel

Trustees are not remunerated for their work but receive reimbursement of expenses when undertaking duties on behalf of the Trust.

Performance management and pay arrangements for the key management personnel has been delegated to the Local Governing Bodies. Pay ranges will be set within the relevant school group range for the Principal/Headteacher, taking into account local factors and factors specific to the candidate and the role as provided for in the School Teachers Pay and Conditions Document (STPCD).

Pay arrangements for other key management personnel will also follow the guidance provided in the STPCD.

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
- To maintain and improve the 'Good' judgement at TA as identified by Ofsted in June 2016
- 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

Governors/Trustees Report for the Year Ended 31 August 2016 (continued)

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 42% qualify for Pupil Premium funding, compared to 6% 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 was inspected by Ofsted in June 2016 and achieved a rating of 'Good', reflecting the drive to improve the outcomes of all students in the school. TA was ranked in the top 5 schools in the South West for the progress made by its students in 2016. 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.

Mr Peter Lawrence, Headteacher of TBGS is also the Accounting Officer of the TBGST.

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. Full details of the delegation can be found on the academies websites.

Related parties and other connected charities and organisations

Torquay Boys' Grammar School and Torquay Academy operate as two separate entities with the Trustees having oversight. Any support required for TA, as a sponsored academy, is discussed at Trustee meetings and at Headteacher/Principal Level. Having achieved a 'Good' Ofsted rating at TA there is now valuable support that can flow in both directions.

A register of business interests is held for both trustees and local Governors.

Torquay Boys' Grammar School Parents' Association is a connected charity and details are set out in note 12.

There are no other related parties or connected charities.

Torquay Boys' Grammar School

Governors/Trustees Report for the Year Ended 31 August 2016 (continued)

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.

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 is 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. These changes were recognised by Ofsted in June 2016 where a judgement of 'Good' was made overall and in all areas of the school. The 2016 GCSE results showed a continued improvement and reflected the success of the strategies implemented over the previous two years. The 2020 Vision is the foundation for all improvement strategies which TA are rigorously embracing and implementing via their Academy Improvement Plan.

Torquay Boys' Grammar School

Governors/Trustees Report for the Year Ended 31 August 2016 (continued)

Public benefit

The MAT uses the expertise within the staffing to strengthen the links with all 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

Governors/Trustees Report for the Year Ended 31 August 2016 (continued)

Strategic Report

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

The stability of the senior leadership teams under the 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.

Torquay Boys' Grammar School

Governors/Trustees Report for the Year Ended 31 August 2016 (continued)

Strategic Report

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 - 122 Students sat A2 exams with a 100% Pass rate with 64% passing at A*/A/B.

IB - 41 students sat the IB Diploma with 100% Pass rate and an average score of 37 points against an International average of 29 points.

GCSE - 152 students sat GCSE exams with 99.3% passing with 5 A* to C grades including English and Maths and 67% of all grades were A*/A, a rise of 10% on the previous year's results.

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 again saw a significant improvement thanks to the hard work of both students and staff and the many targeted improvement interventions.

The sixth form continued to expand and results continued to improve. There were forty students in the cohort completing their 6th form studies. 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 – 145 students took GCSE's. 88% of students achieved A* - C in English, 67% in Maths and 64% achieved 5A* - C including English and Maths. Using the new Progress 8 measure TA achieved a score of 0.59. This is an exceptional result putting the school within the top 5 schools in the South West and reflects all students achieving better than expected progress in their exams.

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 96.2% in the lower school, this was an improvement from the previous year from 94.5%. The whole school attendance was 89.5% compared with 89.1% the previous year.

Attendance at TA during the academic year was 94.6% in the lower school, this was an improvement from the previous year of 92.6%. The whole school attendance was 94.3% compared with 92.3% the previous year. 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.

Admissions at TBGS for the year continued at capacity in Year 7 and recruitment into sixth form improved.

At TA demand for places in Year 7 was significantly oversubscribed resulting in another full year group. Numbers throughout the school remain stable resulting in the highest ever number of students on roll. The success of the 2016 GCSE cohort will continue to make demand for places strong.

During the year science facilities at TA were greatly enhanced by the refurbishment of classrooms and offices into three new laboratories. These were funded in part by a £200,000 donation from the Torbay Development Agency (TDA).

Torquay Boys' Grammar School

Governors/Trustees Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Going concern

After making appropriate enquiries, the Governing Body 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

Income for the period totalled £12,676,000, (2015 £12,614,000), and expenditure totalled £14,075,000 (2015 £13,271,000). After a loss of £1,758,00 (2015: £34,000) on the LGPS pension scheme the net movement in funds for the period was a decrease of £3,186,000 (2015 decrease of £691,000).

The MAT continues to carry forward a reserve that will minimise the impact of the in-year deficit.

All assets of the MAT are directed to the maintenance and improvement of the outcomes of students. Staff well-being is an important part of student achievement and as such training and resources are an important aspect of expenditure decisions.

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.

Current reserves are currently at the lower end of this range however, steps are being taken to ensure that the academy trust remains a going concern.

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

Governors/Trustees Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Principal risks and uncertainties

Four 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. The National Funding Formula (NFF) was expected to increase the funding for TBGS but the delay in its implementation for another year until at least 2018 will put additional pressure on the TBGS budget. The lack of cost of living increase in GAG funding means that all increases to staff costs are unfunded and have to be found from savings in other areas. This will be further exacerbated by an expected 2% increase in LGPS employer contributions from April 2017. The impact is likely to be our ability to sustain 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 are aware that national policy changes being suggested may impact on numbers applying from further afield but do not expect any changes to impact on overall numbers applying to TBGS.. TA continues to have an increasing roll and the recent Ofsted rating of 'Good' will help to maintain admissions at capacity. . 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. In order to manage a potential future deficit TBGS are increasing the intake above PAN in the short term. This will improve finances but TBGS are aware that this could potentially impact on results as class sizes will need to increase, although they will be pegged to be no more than 30.

4. The increasing popularity of TA combined with the growing Sixth Form will shortly result in the school being at full capacity. Options are being reviewed as to how best to manage this positive challenge.

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.

Torquay Boys' Grammar School

Governors/Trustees Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Plans for future periods

The curriculum continues to be 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.

At TBGS 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.

At TA the change to a two year KS3 and increase KS4 to three years has shown a significant benefit with a greater focus on relevant subjects being taught. This change effective from September 2015 has included a more robust teaching of the key skills and learning techniques for each of the chosen disciplines.

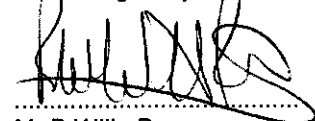
Post 16 courses are continually being reviewed to ensure that the progression of the relatively new sixth form adapts to the needs of the growing Post 16 population. Intake into Year 12 in 2016 has matched those in the previous year meaning that the size of the sixth form has become sustainable. The BTEC Sport course has proved particularly popular and attracts many external candidates.

Auditor

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body, as the company directors, on 6.2.16 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 has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to Mr P Lawrence, 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 Torquay Boys' Grammar School 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 the meetings of the the Board of Trustees was as follows:

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

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

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)	5	5

The Board of Trustees has remained unchanged throughout the year.

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 schedule of responsibilities and delegation gives 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. Its purpose 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	5
Mr M Penfold	5	5
Mrs A C Derbyshire	4	5
Mrs C Weston	3	5
Mr R Lidbetter	5	5
Dr M Cash	4	5
Mr N Tampkin	4	5
Mr P Lawrence	5	5
Governor (TA)		
Mr V Flower	6	6
Mrs L Critchlow	6	6
Mr S Margetts	6	6
Mr S Dobbs	5	6
Mr P Roberts	6	6
Mrs M Bray	6	6
Mr M Wibberley	2	3
Mr I Westwood	6	6

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:

Mrs C Beckett (Chief Finance Officer, Torquay Academy)	6	6
Mr A S Medhurst (Company Secretary and Business Manager, TBGS)	5	5
Mrs D Simons (School Bursar)	5	5

The Audit Committee is a sub-committee of the main Governing Body. The Audit committee has met three times 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:

Trustee	Meetings attended	Out of a possible
Mr A Goward	3	3
Mr P Roberts	3	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. This was recognised during the Ofsted visit to Torquay Academy in June 2016 where the school was rated as 'Good'. 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 2016 100% of students achieved the IB with an average score of 37 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 was 0.33 in 2016 (the first year that this accountability measure is used).

GCSE results at TA continue to improve rapidly. The Progress 8 score of 0.59 places the school as one of the five highest performing schools in the South West. At TA 42% of all students are entitled to Pupil Premium. Thus to ensure that the focus is on narrowing the gap the number of class sets in core subjects, Mathematics and English, is higher than other subjects. 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 GCSE English gap was eliminated: only 2% difference in the pass rate of PP and non-PP students achieving A*-C English (18% gap in 2014). 36% better than National for pass in English. 96% made expected progress and 69% made more than expected progress.

The Maths gap is 15% compared to 25% nationally and pass rate was 9% better than National for TA PP students. 66% made expected progress and 22% made more than expected progress.

20% better than National for pass in Basics, with a 15% gap compared to 27% gap nationally. Progress 8 for PP students is 0.42.

At TA the sixth form is continuing to grow and a wide variety of courses are offered at Level 3. The Football Academy has attracted a number of external applicants. All students who applied to UCAS gained their first choice university places. All other students moved onto either an apprenticeship or employment.

Staffing

During 2015-16 academic year TA has continued to strengthen 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 continues to focus 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. With the growing sixth form at TA, collaboration in this area has been important.

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

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

A number of transition days have been arranged during the Summer term for both Year 5 and year 6 students. These days have proved very successful and with the removal of funding for Summer Schools in 2016 have been vital in ensuring new students settle well into the respective schools.

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. During the year a new payroll provider was appointed to work across the MAT.

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)

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.

During the year a new over-arching MAT risk register was produced identifying key risks that would impact on TBGST as a whole. The risk registers for the individual academies 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 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 2016 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 (FMP) for the MAT and the Risk Registers. The FMP complies with the Academies Financial Handbook and the requirements of the Accounts Direction.

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes the senior leadership teams and governing body committees:

- Reviewing the impact of student numbers on funding
- Reviewing curriculum offering and the impact it has on staffing levels
- Reviewing the academic results and the impact on student and parental preference
- Reviewing all expenditure to ensure it offers best value
- Ensuring all income due is received and spent in accordance with its intended purpose

Monitoring and Review

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

Torquay Boys' Grammar School

Governance Statement (continued)

- 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.

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.

There were no material control or other issues reported by the Responsible Officer to date.

Review of effectiveness

As Accounting Officer, Mr P Lawrence 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 financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee / Finance Committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Torquay Boys' Grammar School

Governance Statement (continued)

The Responsible Officer for TBGS reported on:

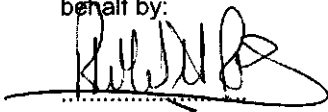
October 2015
March 2016
June 2016

An internal audit was carried out for Torquay Academy in:

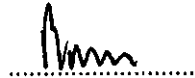
April 2016

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 6 Dec 16..... 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 Governing 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 2015.

I confirm that I and the Academy Trust Governing 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 2015.

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 Governing Body and EFA.



.....
Mr P Lawrence
Accounting officer

Date: 6 Dec 16

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 Annual Accounts Direction published 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:

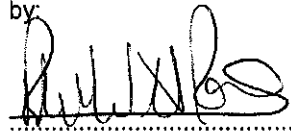
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 Governing Body on 6th Feb 2016 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 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's Trustees, 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 Trustees 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 Trustees 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 24), 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 2016 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 2015 to 2016; 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.

PKF Francis Clark

Sharon Austen (Senior Statutory Auditor)
PKF Francis Clark
Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Date: *6 December 2016*

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 6 December 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body 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 the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's Accounting Officer and the reporting Accountant

The Accounting Officer is responsible, under the requirements of the Governing Body' funding agreement with the Secretary of State for Education dated 29 August 2012 and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

PKF Francis Clark

Sharon Austen
PKF Francis Clark
Reporting Accountant

Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Date: *6 December 2016*

Torquay Boys' Grammar School

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Designated Funds £	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2016 £ 000
Income and endowments from:						
Donations and capital grants	2	28	-	15	387	430
<i>Charitable activities:</i>						
Funding for the Academy Trust's educational operations	3	424	-	11,460	-	11,884
Other trading activities	4	360	-	-	-	360
Investments	5	2	-	-	-	2
Total		814	-	11,475	387	12,676
Expenditure on:						
Raising funds	6	109	-	24	-	133
<i>Charitable activities:</i>						
Academy trust educational operations	7	426	-	12,471	1,045	13,942
Total		535	-	12,495	1,045	14,075
Profit/loss on disposal of fixed assets		-	-	-	(29)	(29)
Net income/(expenditure)		279	-	(1,020)	(687)	(1,428)
Transfers between funds		(763)	20	(199)	942	-
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	-	(1,758)	-	(1,758)
Net movement in (deficit)/funds		(484)	20	(2,977)	255	(3,186)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2015		878	40	(2,067)	38,440	37,291

Torquay Boys' Grammar School

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account) (continued)

Note	Unrestricted Funds £ 000	Designated Funds £	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2016 £ 000
Total funds/(deficit) carried forward at 31 August 2016	<u>394</u>	<u>60</u>	<u>(5,044)</u>	<u>38,695</u>	<u>34,105</u>

Torquay Boys' Grammar School

Statement of Financial Activities for the Year Ended 31 August 2015 (including Income and Expenditure Account)

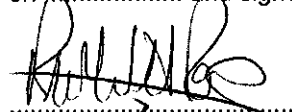
	Note	Unrestricted Funds £ 000	Designated Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2015 £ 000
Income and endowments from:						
Donations and capital grants	2	17	-	11	202	230
<i>Charitable activities:</i>						
Funding for the Academy Trust's educational operations	3	464	-	11,555	-	12,019
Other trading activities	4	351	-	6	-	357
Investments	5	3	-	-	-	3
Other Incoming Resources		5	-	-	-	5
Total		840	-	11,572	202	12,614
Expenditure on:						
Raising funds	6	116	-	18	-	134
<i>Charitable activities:</i>						
Academy trust educational operations	7	490	-	11,726	921	13,137
Total		606	-	11,744	921	13,271
Net income/(expenditure)		234	-	(172)	(719)	(657)
Transfers between funds		(17)	20	(142)	139	-
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	-	(34)	-	(34)
Net movement in funds/(deficit)		217	20	(348)	(580)	(691)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2014		661	20	(1,719)	39,020	37,982
Total funds/(deficit) carried forward at 31 August 2015		878	40	(2,067)	38,440	37,291

Torquay Boys' Grammar School

(Registration number: 07394671)
Balance Sheet as at 31 August 2016

	Note	2016 £ 000	2015 £ 000
Fixed assets			
Tangible assets	13	37,952	38,440
Current assets			
Stocks	14	21	18
Debtors	15	458	514
Cash at bank and in hand		859	1,482
		<u>1,338</u>	<u>2,014</u>
Creditors: Amounts falling due within one year	16	<u>(769)</u>	<u>(758)</u>
Net current assets		<u>569</u>	<u>1,256</u>
Total assets less current liabilities		38,521	39,696
Creditors: Amounts falling due after more than one year	17	<u>(70)</u>	<u>(80)</u>
Net assets excluding pension liability		38,451	39,616
Defined benefit pension scheme liability	25	<u>(4,346)</u>	<u>(2,325)</u>
Total assets		<u>34,105</u>	<u>37,291</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		45	258
Restricted fixed asset fund		37,952	38,440
Restricted pension fund		<u>(4,346)</u>	<u>(2,325)</u>
		<u>33,651</u>	<u>36,373</u>
Unrestricted funds			
Unrestricted general fund		394	878
Unrestricted designated fund		<u>60</u>	<u>40</u>
		<u>454</u>	<u>918</u>
Total funds		<u>34,105</u>	<u>37,291</u>

The financial statements on pages 29 to 56 were approved by the Trustees, and authorised for issue on 31.10.16 and signed on their behalf by:



Mr B Wills-Pope
Trustee

Torquay Boys' Grammar School

Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £ 000	2015 £ 000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(502)	344
Cash flows from investing activities	22	<u>(121)</u>	<u>(131)</u>
Change in cash and cash equivalents in the year		(623)	213
Cash and cash equivalents at 1 September		<u>1,482</u>	<u>1,269</u>
Cash and cash equivalents at 31 August	23	<u>859</u>	<u>1,482</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016

1 Accounting policies

Statement of accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Torquay Boys' Grammar School meets the definition of a public benefit entity under FRS 102. These financial statements are the first financial statements of Torquay Boys' Grammar School prepared in accordance with FRS 102. Refer to note 28 for more details on the first time adoption and explanation of transition to FRS 102.

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. The Trustees have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Please see page 12 for further detail.

Income

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

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Grants

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

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

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

Sponsorship income

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

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

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

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

Assets costing £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	3 years straight line
Motor vehicles	25% straight line

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Liabilities

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

Provisions

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

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

Leased assets

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

Stock

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

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 2016 (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 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 quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

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

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 27.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2016 £ 000	Total 2015 £ 000
Capital grants	-	-	387	387	202
Other donations	28	15	-	43	28
	<u>28</u>	<u>15</u>	<u>387</u>	<u>430</u>	<u>230</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

3 Funding for Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2016 £ 000	Total 2015 £ 000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	10,425	10,425	10,510
Start Up Grants	-	125	125	200
Pupil Premium	-	448	448	465
Summer School	-	-	-	39
Year 7 Catch Up Grant	-	18	18	18
	<u>-</u>	<u>11,016</u>	<u>11,016</u>	<u>11,232</u>
Other government grants				
Other Government Grants	-	-	-	3
SEN from Local Authority	-	36	36	26
Dedicated Schools Grant	-	16	16	39
	<u>-</u>	<u>52</u>	<u>52</u>	<u>68</u>
Non-government grants and other income				
Other Grants	2	18	20	11
Educational Trips	-	374	374	249
Catering Income	422	-	422	459
	<u>424</u>	<u>392</u>	<u>816</u>	<u>719</u>
Total grants	<u>424</u>	<u>11,460</u>	<u>11,884</u>	<u>12,019</u>

4 Other trading activities

	Unrestricted funds £ 000	Total 2016 £ 000	Total 2015 £ 000
Hire of facilities	155	155	169
School shop sales	63	63	58
Recharges and reimbursements	79	79	75
Other income	63	63	55
	<u>360</u>	<u>360</u>	<u>357</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

5 Investment income

	Unrestricted funds £ 000	Total 2016 £ 000	Total 2015 £ 000
Short term deposits	<u>2</u>	<u>2</u>	<u>3</u>

6 Resources expended

	Non Pay Expenditure			Total 2016 £ 000	Total 2015 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	70	1	62	133	134
Academy's educational operations					
Direct costs	7,677	893	930	9,500	9,091
Allocated support costs	<u>2,447</u>	<u>850</u>	<u>1,145</u>	<u>4,442</u>	<u>4,046</u>
	<u>10,194</u>	<u>1,744</u>	<u>2,137</u>	<u>14,075</u>	<u>13,271</u>

Net incoming/outgoing resources for the year include:

	2016 £ 000	2015 £ 000
Operating leases - other leases	32	32
Fees payable to auditor - audit	11	13
- other audit services	3	7
Profit/(loss) on disposal of tangible fixed assets	<u>(29)</u>	<u>-</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

7 Charitable activities

	Total 2016 £ 000	Total 2015 £ 000
Direct costs - educational operations	9,500	9,091
Support costs - educational operations	<u>4,442</u>	<u>4,046</u>
	<u><u>13,942</u></u>	<u><u>13,137</u></u>
	Educational operations £ 000	Total 2016 £ 000
		Total 2015 £ 000
Analysis of support costs		
Support staff costs	2,381	2,285
Technology costs	88	28
Premises costs	850	711
Other support costs	1,041	954
Governance costs	<u>82</u>	<u>68</u>
Total support costs	<u><u>4,442</u></u>	<u><u>4,046</u></u>

8 Staff

Staff costs

	2016 £ 000	2015 £ 000
Staff costs during the year were:		
Wages and salaries	7,970	7,682
Social security costs	678	600
Pension costs	<u>1,404</u>	<u>1,186</u>
	10,052	9,468
Supply teacher costs	73	134
Staff restructuring costs	<u>69</u>	<u>42</u>
	<u><u>10,194</u></u>	<u><u>9,644</u></u>
	2016 £ 000	2015 £ 000
Staff restructuring costs comprise:		
Severance payments	<u><u>69</u></u>	<u><u>42</u></u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8 Staff (continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £69,000 (2015: £42,000). Individually, the payments were:

Non-contractual payments £12,000

Non-contractual payments £15,000

Non-contractual payments £10,000

Non-contractual payments £18,000

Non-contractual payments £14,000

Staff numbers

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

	2016 No	2015 No
Charitable Activities		
Teachers	162	163
Administration and Support Staff	63	63
Management	19	19
	<u>244</u>	<u>245</u>

Staff numbers

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

	2016 No	2015 No
Charitable Activities		
Teachers	187	185
Admin and Support Staff	96	89
Management	19	19
	<u>302</u>	<u>293</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2016 No	2015 No
£60,001 - £70,000	5	4
£80,001 - £90,000	1	2
£90,001 - £100,000	1	-
	<u>7</u>	<u>6</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8 Staff (continued)

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £1,282,690 (2015: £1,283,558).

9 Central services

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

10 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:

Mr R E Pike (CEO (resigned 31 October 2014)):

Remuneration: £Nil (2015 - £10,000 - £15,000)

Employer's pension contributions: £Nil (2015 - £0 - £5,000)

Mrs A C Derbyshire (Trustee):

Remuneration: £0 - £5,000 (2015 - £0 - £5,000)

Employer's pension contributions: £Nil (2015 - £Nil)

Mrs C Weston (Trustee):

Remuneration: £0 - £5,000 (2015 - £0 - £5,000)

Employer's pension contributions: £Nil (2015 - £Nil)

During the year ended 31 August 2016, travel and subsistence expenses totalling £63 (2015 - £210) were reimbursed or paid directly to 1 Trustees (2015 - 2).

Other related party transactions involving the Trustees are set out in note 26.

11 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 2016 was £2,000 (2015 - £2,000).

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

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

12 Connected charities

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 £1,000
- The aggregate amount of the entity's liabilities is £Nil
- The aggregate amount of the entity's funds is £1,000
- The total turnover of the entity is £1,000
- The total expenditure of the entity is £2,000
- Loss for the year of £1,000

13 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 2015	40,922	328	25	444	35	41,754
Additions	292	82	-	60	-	434
Disposals	-	-	-	-	(29)	(29)
Transfers	6	-	-	-	(6)	-
At 31 August 2016	<u>41,220</u>	<u>410</u>	<u>25</u>	<u>504</u>	<u>-</u>	<u>42,159</u>
Depreciation						
At 1 September 2015	2,719	222	6	367	-	3,314
Charge for the year	775	59	6	53	-	893
At 31 August 2016	<u>3,494</u>	<u>281</u>	<u>12</u>	<u>420</u>	<u>-</u>	<u>4,207</u>
Net book value						
At 31 August 2016	<u>37,726</u>	<u>129</u>	<u>13</u>	<u>84</u>	<u>-</u>	<u>37,952</u>
At 31 August 2015	<u>38,203</u>	<u>106</u>	<u>19</u>	<u>77</u>	<u>35</u>	<u>38,440</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

14 Stock

	2016 £ 000	2015 £ 000
Catering	5	4
Shop stock	16	14
	<u>21</u>	<u>18</u>

15 Debtors

	2016 £ 000	2015 £ 000
Trade debtors	19	21
Prepayments	259	212
Accrued grant and other income	95	197
VAT recoverable	83	83
Other debtors	2	1
	<u>458</u>	<u>514</u>

16 Creditors: amounts falling due within one year

	2016 £ 000	2015 £ 000
Trade creditors	193	150
Other taxation and social security	194	174
Salix Loan	16	6
Other creditors	57	21
Pension scheme creditor	154	148
Accruals	67	100
Deferred income	88	159
	<u>769</u>	<u>758</u>

	2016 £ 000
Deferred income	
Deferred income at 1 September 2015	159
Resources deferred in the period	88
Amounts released from previous periods	<u>(159)</u>
Deferred income at 31 August 2016	<u>88</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

16 Creditors: amounts falling due within one year (continued)

At the balance sheet date the Academy Trust was holding funds received in advance for rates and trips.

17 Creditors: amounts falling due after one year

	2016 £ 000	2015 £ 000
Salix Loan	<u>70</u>	<u>80</u>

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

18 Funds

	Balance at 1 September 2015 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2016 £ 000
Restricted general funds					
General Annual Grant	194	10,425	(11,163)	544	-
Pupil Premium	9	448	(457)	-	-
SEN/High Needs Income	-	36	(36)	-	-
Start Up Grants	-	125	(125)	-	-
School Fund/Trips	-	374	(372)	(2)	-
Music Memorial Fund	7	5	(3)	-	9
Confucius Classroom Fund	7	7	(6)	-	8
Year 7 Catch Up Grant	-	18	(18)	-	-
Kieran Fund	7	-	-	-	7
Duke of Edinburgh Fund	1	-	-	2	3
Other Government Grants	-	11	(11)	-	-
Other Grants	13	10	(5)	-	18
Dedicated School Grant	20	16	(36)	-	-
	<u>258</u>	<u>11,475</u>	<u>(12,232)</u>	<u>544</u>	<u>45</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

18 Funds (continued)

	Balance at 1 September 2015 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2016 £ 000
Restricted fixed asset funds					
DfE/EFA Capital Grants	20	45	(45)	(20)	-
Inherited Fixed Asset Fund	37,900	-	(744)	-	37,156
Capital Expenditure from GAG	352	-	(125)	225	452
Capital Expenditure from Start Up Grant	21	-	(7)	-	14
Capital Expenditure from Other Government Grants	-	295	(64)	(35)	196
Donations	147	-	(13)	-	134
Insurance Claim	-	47	(47)	-	-
	<u>38,440</u>	<u>387</u>	<u>(1,045)</u>	<u>170</u>	<u>37,952</u>
Restricted pension funds					
Defined Benefit Pension Liability	<u>(2,325)</u>	<u>-</u>	<u>(263)</u>	<u>(1,758)</u>	<u>(4,346)</u>
Total restricted funds	<u>36,373</u>	<u>11,862</u>	<u>(13,540)</u>	<u>(1,044)</u>	<u>33,651</u>
Unrestricted funds					
Unrestricted general funds	878	814	(535)	(763)	394
Unrestricted designated funds	<u>40</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>60</u>
Total unrestricted funds	<u>918</u>	<u>814</u>	<u>(535)</u>	<u>(743)</u>	<u>454</u>
Total funds	<u>37,291</u>	<u>12,676</u>	<u>(14,075)</u>	<u>(1,787)</u>	<u>34,105</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.

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

18 Funds (continued)

	Total £ 000
Torquay Boys' Grammar School	88
Torquay Academy	411
Total before fixed assets and pension reserve	499
DfE/EFA Capital Grants	37,952
Defined Benefit Pension Liability	(4,346)
Total	<u>34,105</u>

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2016 £ 000
Torquay Boys' Grammar School	3,999	950	160	1,145	6,254
Torquay Academy	<u>3,677</u>	<u>1,395</u>	<u>176</u>	<u>1,417</u>	<u>6,665</u>
Academy Trust	<u>7,676</u>	<u>2,345</u>	<u>336</u>	<u>2,562</u>	<u>12,919</u>

19 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	37,952	37,952
Current assets	454	884	-	1,338
Current liabilities	-	(769)	-	(769)
Creditors over 1 year	-	(70)	-	(70)
Pension scheme liability	-	(4,346)	-	(4,346)
Total net assets	<u>454</u>	<u>(4,301)</u>	<u>37,952</u>	<u>34,105</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

20 Financial commitments

Operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £ 000	2015 £ 000
Amounts due within one year	38	35
Amounts due between one and five years	79	87
	<u>117</u>	<u>122</u>

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

	2016 £ 000	2015 £ 000
Net expenditure	(1,399)	(657)
Depreciation	893	896
Capital grants from DfE and other capital income	(340)	(202)
Interest receivable	(2)	(3)
Defined benefit pension scheme obligation inherited	173	171
Defined benefit pension scheme cost less contributions payable	-	(137)
Defined benefit pension scheme finance cost	90	174
(Increase)/decrease in stocks	(3)	5
Decrease/(increase) in debtors	56	(164)
Increase in creditors	1	261
Loss on disposal of tangible fixed assets	29	-
Net cash (used in)/provided by Operating Activities	<u>(502)</u>	<u>344</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

22 Capital expenditure and financial investment

	2016 £ 000	2015 £ 000
Dividends, interest and rents from investments	2	3
Purchase of tangible fixed assets	(434)	(336)
Loss on disposal of tangible fixed assets	(29)	-
Capital grants from DfE/EFA	45	44
Capital funding received from sponsors and others	295	158
Net cash used in investing activities	<u>(121)</u>	<u>(131)</u>

23 Analysis of cash and cash equivalents

	At 31 August 2016 £ 000	At 31 August 2015 £ 000
Cash at bank and in hand	<u>859</u>	<u>1,482</u>
Total cash and cash equivalents	<u>859</u>	<u>1,482</u>

24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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.

25 Pension and similar obligations

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

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

Contributions amounting to £(154,000) (2015 - £(148,000)) were payable to the schemes at 31 August and are included within creditors.

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

25 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The employer's pension costs paid to TPS in the period amounted to £972,000 (2015: £638,000).

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

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), 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

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

25 Pension and similar obligations (continued)

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 2016 was £345,000 (2015 - £329,000), of which employer's contributions totalled £252,000 (2015 - £240,000) and employees' contributions totalled £93,000 (2015 - £89,000). The agreed current contribution rates up to 31 March 2017 are 17 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in the notes the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Principal actuarial assumptions

	At 31 August 2016 %	At 31 August 2015 %
Rate of increase in salaries	4.10	4.50
Rate of increase for pensions in payment/inflation	2.30	2.70
Discount rate for scheme liabilities	<u>2.20</u>	<u>4.00</u>

Sensitivity analysis

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

	+ 0.1% £ 000	0.0% £ 000	- 0.1% £ 000
Adjustment to discount rate			
Present value of total obligation	7,341	7,514	7,692
Projected service cost	<u>614</u>	<u>629</u>	<u>645</u>
Adjustment to pension increases and deferred revaluation			
Present value of total obligation	7,656	7,514	7,479
Projected service cost	<u>644</u>	<u>629</u>	<u>614</u>
Adjustment to rate of salary growth			
Present value of total obligation	7,550	7,514	7,376
Projected service cost	<u>629</u>	<u>629</u>	<u>629</u>
Adjustment to mortality age rating assumption			
Present value of total obligation	7,711	7,514	7,322
Projected service cost	<u>645</u>	<u>629</u>	<u>613</u>

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

25 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 2016	At 31 August 2015
Retiring today		
Males retiring today	22.90	22.80
Females retiring today	26.20	26.10
Retiring in 20 years		
Males retiring in 20 years	25.20	25.10
Females retiring in 20 years	<u>28.60</u>	<u>28.40</u>

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

	At 31 August 2016 £ 000	At 31 August 2015 £ 000
Equities	1,858	1,431
Gilts	102	124
Target return portfolio	449	325
Infrastructure	128	75
Other bonds	84	123
Property	312	268
Cash	54	58
Other	<u>181</u>	<u>46</u>
Total market value of assets	3,168	2,450
Present value of scheme liabilities - funded	<u>(7,514)</u>	<u>(4,825)</u>
Deficit in the scheme	<u>(4,346)</u>	<u>(2,375)</u>

The actual return on scheme assets was £366,000 (2015 - (£6,000)).

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

25 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2016 £ 000	2015 £ 000
Current service cost	425	411
Total operating charge	<u>425</u>	<u>411</u>

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

	2016 £ 000	2015 £ 000
At 1 September	4,825	4,187
Current service cost	425	411
Interest cost	194	174
Employee contributions	93	89
Actuarial losses/(gains)	2,018	(109)
Benefits paid	<u>(41)</u>	<u>73</u>
At 31 August	<u>7,514</u>	<u>4,825</u>

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

	2016 £ 000	2015 £ 000
At 1 September	2,500	2,104
Interest income	106	137
Actuarial gains/(losses)	258	(143)
Employer contributions	252	240
Employee contributions	93	89
Benefits paid	<u>(41)</u>	<u>73</u>
At 31 August	<u>3,168</u>	<u>2,500</u>

26 Related party transactions

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

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 £428 (2015: £156) were made by the academy during the year. At the balance sheet date the amount due to Susan's Flower Shop was £64 (2015 - £77).

27 Agency arrangements

Torquay Boys' Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

The Academy Trust distributes 16-19 bursary funds to students as an agent for the EFA. The balance for accounting period ending 31 August 2015 was £23,000. In the accounting period ending 31 August 2016 the trust received £36,000 and disbursed £24,000 from the fund. An amount of £35,000 is included in other creditors relating to undistributed funds that is repayable to EFA.

28 Transition to FRS 102

First time adoption of FRS 102

These financial statements are the first financial statements of Torquay Boys' Grammar School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Torquay Boys' Grammar School for the year ended 31/08/2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

The Academy Trust transitioned to FRS 102 and SORP 2015 from previously extant UK GAAP and SORP 2005 as at 1 September 2014. There were no changes to the previously stated funds as at 1 September 2014 and 1 September 2015 or in the net income/(expenditure) for the year ended 31 August 2015 as a result of the transition to FRS 102 and SORP 2015.