

TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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**TORRE CHURCH OF ENGLAND ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	Kevin Hook, PCC appointed member Jo Simpson, Diocese member Robert Bennett, Plymouth University Robert Dickinson, Chair of Trustees Philip Mantell, EDEN member Suzanne Julyan, Head Teacher (non-voting)
Trustees	Suzanne Julyan, Head Teacher ^{1,2,3,4} Philip Miles ^{1,2,3} Carolyn Wyatt, Staff Trustee (resigned 1 September 2015) ^{2,3} Robert Dickinson, Chair of Trustees ^{2,3,4} Ian Westwood ^{2,3} Karen Crompton, Staff Trustee ⁴ Caroline Milner, Parent Trustee ⁴ Gavin Hancocks (resigned 31 August 2016) ⁴ Angie Gibbings ^{1,4} Fiona Washbrook, Parent Trustee ^{1,2,3} Hayley Harker, Staff Trustee (appointed 14 September 2015) ⁴ Fr. Peter March, Ex-Officio (appointed 2 November 2016)
	1 Admissions 2 Finance, Personnel and Pay 3 Premises and Risk Assessment 4 Curriculum, SEN, Ethos and Worship

**Company registered
number**

08594520

Company name

Torre Church of England Academy

**Principal and registered
office**

Barton Road
Torquay
Devon
TQ1 4DN

Company secretary

Alison Newton

**Senior management
team**

Suzanne Julyan, Headteacher
Laura Kendell, Deputy Headteacher
Jane Vanstone, Assistant Headteacher
Karen Crompton, Assistant Headteacher
Alison Newton, School Business Manager

Bankers

Lloyds Bank plc
Fleet Street
Torquay
Devon
TQ2 5DW

Solicitors

Michelmores LLP
Woodwater House
Pynes Hill
Exeter
Devon
EX3 6WR

TORRE CHURCH OF ENGLAND ACADEMY (A COMPANY LIMITED BY GUARANTEE)

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 purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 3 to 11 in the parish of Torre and the surrounding area. It has a pupil capacity of 322 and had a roll of 324 in the school census on 19th May 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Torre C of E Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Torre C of E Primary Academy.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the academy. The limit of this indemnity is £10million.

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2million on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1st September 2013 the Trustees appointed most of those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office of four years.

The Academy's Board of Trustees comprises the Headteacher, a minimum of two Parent Trustees, up to two Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to six other Trustees.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to six Trustees who are appointed by members.
- up to two Parent Trustees who are elected by Parents of registered pupils at the Academy.
- up to two staff Trustees appointed by the Board of Trustees.
- the Headteacher who is treated for all purposes as being an ex officio Governor.

Trustees are appointed for a four-year period. There is no time limit on the term of office for either the Head teacher or Staff members posts, provided they remain in the employment of the Academy. The time limit does not apply to the Incumbent for as long as he/she remains in post.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The diocese of Exeter is empowered under article 12 to appoint Trustees.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training manual available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are committees as follows;

- Finance, Personnel and Pay Committee - this meets at least six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Curriculum, SEN, Ethos and Worship Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Admissions Committee - meets at least once a year to deal with all matters relating to admissions.
- Premises and Risk Assessment Committee – meet three times a year to deal with matters relating to the school environment.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, the Assistant Headteacher and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher, Academy Business Manager and Finance and Personnel Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles adjusting for a weighting for any additional responsibilities.

Connected Organisations, including Related Party Relationships

The Diocese of Exeter is a related party as they are responsible for the appointment of the six foundation governors and hold a majority of the Members of the academy trust.

The Academy has strong collaborative links with the Torbay Teaching School Alliance (TTSA) and plays a key role in the running of the English Network. The Headteacher is involved in the running of this network and also has the role of Specialist Leader of Education for English (SLE). The Headteacher is also a member of the Strategic Board for the All Saints' Teaching School Alliance.

The Academy is part of the Diocese of Exeter as it is a Church of England School.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company is the operation of Torre Church of England Academy is to provide free education and care for pupils of different abilities.

The aims of the Academy during the year ended 31 August 2016 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra-curricular activities.
- to develop the SMSC of all pupils through collective worship, the teaching of RE within the character of a Church of England School.
- to develop students as more effective learners.
- to develop the Academy site so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students who achieve age related expectation and are secondary ready by the time they leave the academy in year 6.
- to provide value for money for the funds expended.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

- to work collaborative with schools within the TTSA.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to maintain close links with industry and commerce.
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Torre C of E Academy, we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Development Plan (SIP) which is available from the Academy Office and can be viewed on the Academy website. Improvement focuses identified for this year include:

Raising pupil attainment & achievement:

- To raise standards in reading and spelling
- To narrow the gap for pupil premium pupils and others falling behind.
- To continue to develop strategies for assessment and enable more pupils to be assessed as 'working at greater depth'
- To ensure key learning skills are embedded to enable pupils to be independent learners.

Quality of teaching, learning and assessment:

- To improve the quality of teaching by developing strategies to improve children's depth of learning
- To provide high quality CPD for all, including 1:1 conferences & coaching
- To improve the teaching of reading through increased CPD and monitoring
- To continue to develop tablet technology across the curriculum to improve teaching

Personal development, behaviour and welfare:

- To become an active and healthy school to promote pupils well-being
- To review the behaviour and ethos policy
- To review attendance policy and ensure good attendance for PP pupils
- To support vulnerable pupils and ensure all in the community are safe
- To make the club allocation system more fair and more accessible for pupils eligible for PP funding.

Curriculum development:

- To continue to develop the SOLE approach across the school
- To ensure that the 6Ps are threaded through the curriculum
- To develop a 'Can do' attitude to learning
- To develop the use of 'flipped learning'.
- To develop a sustainable global link with Peru

Leadership and management:

- To develop all leaders at all levels across the school
- To continue on the MAT journey to enable more collaborative learning and to gain financial benefit.
- To implement focused improvement plans, policies and procedures
- To sustain high quality governance to provide appropriate support and challenge

Christian distinctiveness and being a Church school:

- To fully develop the ethos group
- To review and improve the RE curriculum
- To develop an effective approach to Collective Worship

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Buildings and learning environment:

- To improve the aesthetics of the school environment
- To consider how the hall can continue to be used with growing numbers of pupils
- To develop Y5/6 area to create 3 good sized teaching spaces
- To ensure that classrooms are set up to enable SOLE to happen effectively
- To improve the outdoor play and PE space
- To improve cloakroom provision/storage for Y3/4 pupils

Families and community:

- To increase parental involvement in learning and other aspects of school life
- To continue to develop the school website
- To continue to improve our links with the local church community
- To continue to engage in alliance wide CPD and networking

Ambitious targets have been set for the end of key stage 2, although due to the increased expectations of the new national curriculum, they are significantly lower than previous years: Reading – 84%, Writing – 76% and Mathematics – 84%.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in the Parish of Torre and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development schools, offering a broad curriculum as a Church of England academy.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As an Academy we have a duty to support other schools. We do this in our key role within the English network in the Torbay Teaching School alliance. We also have members of staff who sit on the steering group for the TTSA's maths and curriculum networks, planning and leading CPD opportunities for other schools in the alliance.

STRATEGIC REPORT

Achievements and Performance

The Academy is now beginning its fifth year of operation and continues to be oversubscribed. The total number of students in the year ended 31 August 2016 was 322 but this has increased to 326 in September 2016 due to an increase in pupil admission numbers. The Academy is full in five year groups and has a waiting list in operation.

The Academy is heavily oversubscribed. There were 120 applicants for the 45 places available in Reception.

Our key stage 2 results last year were above the national average:

- Reading – 71%
- Writing – 71%
- Spelling, Grammar and Punctuation – 84%
- Mathematics – 87%
- Combined – 61%

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Children in KS1 made good progress, although attainment was more disappointing against the high expectations of the new curriculum. Phonics was a big increase from last year:

- Reading – 58%
- Writing – 49%
- Mathematics – 60%
- Phonics – 80%

Data Summary of Torre C of E Academy 2015/16

Year 6

Official Progress Measures

Children have been grouped according to their average KS1 points scores. Average KS2 scores have then been worked out for each prior attainment group. A pupil's progress is calculated by working out the difference between their actual KS2 outcomes and the average KS2 outcome for other pupils nationally, who are in the same prior attainment group.

SUBJECT	SCHOOL % achieving ARE	SCHOOL % achieving a higher standard	NATIONAL	% DIFFERENCE
Reading	71% ARE	16%	66% ARE	+5%
GPS	84% ARE	19%	72% ARE	+12%
Mathematics	87% ARE	16%	70% ARE	+17%
Writing (TA)	71%		74%	-3%
RWM combined	61% ARE		53% ARE	+8%

PROGRESS	All pupils	Non pupil premium	Pupil premium	Pupil premium not SEN
Reading	-0.6	1.4	-6	-5.1
Writing	-2.1	-1.6	-3.4	-0.7
Maths	+0.4	1.4	-2.4	1.2

Years 1 - 5

Explanation of Tracking Points

E – Emerging, D = Developing, S – Secure
Secure is Age Related Expectation

Nursery 1			Nursery 2			Reception		
E	D	S	E	D	S	E	D	S
1	2	3	4	5	6	7	8	9

Year 1			Year 2			Year 3			Year 4			Year 5			Year 6		
E	D	S	E	D	S	E	D	S	E	D	S	E	D	S	E	D	S
10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27

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**TRUSTEES' REPORT (continued)
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Year Group ARE Year end Yr 1, 3, 4, 5 Nat Exp in Tracking Points		ATTAINMENT						PROGRESS											
		ATP			% ARE			Prog ATP (this year)	Proportions Expected progress			Proportions Better than expected			ATP (this year)				
		BELOW (Earlier Yr group)	JUST BELOW (E, D)	AT & GD (S)	ABOVE (Greater depth)	All Pupils	Pupil Premium		FSM	All pupils	Pupil Premium	FSM	Pupil Premium progress	FSM Progress	PP No SEN progress	SEN progress			
1 ARE 12	Subject	B	G					In Year 1 Expected progress End of YR to end of Y1 - 3 points											
	Reading	11.5	11.4	11.7	1	31	62	27	3.1	74	60	20	37	20	20	2.6	2.2	2.9	3.2
	Writing	11.3	11	11.6	1	31	62	4	2.3	53	60	40	2	0	0	2.5	2.2	2.7	2.0
	Maths	11.2	11.2	11.3	1	33	60	0	2.7	64	50	60	7	0	0	2.2	1.6	2.4	1.6
2 ARE 15	Subject	B	G						Year 2 Expected Progress End of Y1 to end of Y2 - 3 points or 3+ where needed to be back on track										
	Reading	14.6	14.7	14.4	6	36	58	27	3.3	91	75	100	43	25	33	3.0	3.3	2.9	3.5
	Writing	14.1	14.2	14	8	42	49	2	2.9	82	75	83	18	25	33	2.9	3.2	2.7	3.0
	Maths	14.3	14.5	14	6	33	60	2	3.2	93	75	83	30	13	0	2.7	2.8	2.9	2.7
3 ARE 18	Subject	B	G						Year 3 Expected Progress End of KS1 to end of Y3 - 3 points or 3+ where needed to be back on track										
	Reading	17.2	16.9	17.3	8	36	56	2	3.0	88	85	67	16	15	0	3.0	3.0	3.1	2.7
	Writing	16.9	16.5	17.2	6	49	42	0	3.2	91	87	67	37	38	0	3.2	3.0	3.4	3.0
	Maths	16.8	17	16.7	8	49	38	2	3.0	86	77	33	21	15	0	2.8	3.0	3.0	2.7
4 ARE 21	Subject	B	G						Year 4 Expected Progress End Y3 to end of Year 4 - 3 points or 6+ where needed to be back on track										
	Reading	20.5	20.5	20.5	6	29	65	3	3.4	100	100	100	23	0	0	3.0	3.0	3.0	3.0
	Writing	20.1	20.2	20.1	16	33	52	6	4.0	100	100	100	70	75	100	4.0	4.5	4.0	6.0
	Maths	20.3	20.4	20.1	13	33	55	3	3.5	100	100	100	50	50	100	3.5	4.0	3.5	5.0
5 ARE 24	Subject	B	G						Year 5 Expected Progress End Y4 to end of Year 5 - 3 points or 9+ where needed to be back on track										
	Reading	22.9	21.7	23.5	13	25	63	9	2.8	81	50	33	22	25	0	2.2	1.7	3.5	0.2
	Writing	22.8	21.2	23.6	16	28	56	9	3.6	87	75	67	41	50	33	3.2	3.0	3.5	3.0
	Maths	22.5	21	23.2	13	22	59	9	3.0	81	50	33	31	25	0	2.2	1.7	3.5	2.0

We continue to have a small group of parent volunteers have been helping in the Academy this year. They have helped with reading, after school clubs and trips out of school.

To ensure that standards are continually assessed, the Academy operates a monitoring programme which incorporates lesson observations, 'blinks' learning walks and planning and book scrutinies which all form part of our termly 'growth days'.

The Academy was inspected by OFSTED in 2016 and was judged to be Good. There was also a SIAMs inspection in 2013, which resulted in an Outstanding grade.

The Year 3 and 4 classrooms were re-modelled over the summer and three 'new' classrooms are now operational, despite the academy not being successful in a bid for a Condition Improvement Fund grant. Plans will be drawn up this year ready for the re-modelling on the Year 5 and 6 classrooms ready for when an appropriate bid window opens.

Continuing professional development for staff has been very successful with the Deputy Headteacher completing the Aspirant Head programme, the Headteacher completing the Headteacher Leadership programme and another two completing the National Professional Qualification in Middle Leadership. All members of staff have attended some form of training this year.

During the year, the Academy's charity fundraising activities raised £1,770.80.

The Academy has established close links with the Torbay Teaching School Alliance. As an alliance, we are embarking on mutual staff development, with the primary aim of driving up standards. The Headteacher has recently also being a strategic board member of the All Saints' Teaching School Alliance.

Key Performance Indicators

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016 were 324, an increase of 22 over 2015. This number will continue to rise due to an increase in our PAN for the next three years.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In period under review, £92,602 was carried forward representing 9% of GAG.

The following KPI's are relevant to the academy are:

	2016	2015
Pupil capacity	322	307
Pupil numbers	324	302
Total income per pupil	£4,473	£4,701
Total GAG income per pupil	£3,090	£3,144
GAG income ratio of total income	69.1%	66.9%
Total expenditure per pupil	£4,673	£4,386
Staff costs per pupil	£3,401	£3,250
Staff costs as a % of GAG income	110.0%	103.4%
Staff costs as a % of total costs	72.8%	74.1%
Pupil teacher ratio	24.9	25.2
Available reserves	£180,829	£185,964
Available reserves per pupil	£558	£616

The difference in the Pupils numbers is due to KS2 classes being above PAN 2016. The total GAG income per pupil is less, due to the reduced amount of ESG received from the EFA. Staff costs as a % of GAG income has risen due to the employment of an extra teacher. Teaching the new Maths curriculum to mixed aged classes proved very problematic in the first year, the additional teacher has enabled us to teach maths to single year group classes.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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 going concern policy.

FINANCIAL REVIEW

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of available reserves should be approximately £80,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the academy amount to £2,290,512, with available reserves totalling £180,829. This includes £88,227 unrestricted and £92,602 GAG.

The carry forward balance on the PE Grant fund of £7,310 will be spent during 16/17 by hiring sports coaches to work with teachers and provide extra after school clubs and training for existing staff.

Phase 3 of our expansion plan will begin during 16/17. The Academy will apply for a CIF bid and if successful the upper KS2 area and classrooms will be enlarged and refurbished. The Trustees expect to use £10,000 of the unrestricted carry forward towards the cost and a further £30,000 has been designated for future improvements to the school as we continue to expand.

Investment Policy

The aim of this policy is to ensure that funds, which the school does not immediately need to cover anticipate expenditure, are invested in such a way as to maximise the school's income but without risk.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Our aim is to spend the public monies with which we are entrusted for the direct education benefit of pupils as soon as prudent. The school does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

Implementation

The school will contrast such budgets and cash flow forecast as are required by legislation to ensure the viability and sustainability of the activities of the school.

From time to time, operational and strategic decisions related to the education of pupils at Torre C of E Academy will result in substantial cash balances at the bank over a sustained period.

These periods will be identified by the Business Manager as part of the normal forecasting activity and, when identified, will result in the school making an investment in accordance with any guidance provided in the Academies Financial Handbook.

Prior to investing funds, the Headteacher must be satisfied that the cash flow predictions provided by the Business Manager are accurate and that the amount and period of the investment will not compromise the viability and sustainability of the activities of the school.

In making decisions regarding where and how any surplus funds should be invested, due regard will be given to the 'Risk that the return on investments is not being maximised' and 'Risk that trustees are not acting in accordance with their Investment policy (e.g. investing in high risk investments which are not in the best interests of the Academy)'.

The principles which the Governing Body will adopt are as follows:

Where practicable, the reserve is invested in tranches of up to £80,000 and consideration should be given to investing each £80,000 tranche in a different authorised financial institution (see Banks section below)

Investments in institutions other than through Lloyds Bank, which have been approved by the Governing Body, must have agreements from the Chair of Trustees and the Chair of Finance.

It is recommended to invest in a rolling programme to allow accessibility within 3, 6 and 12 months, without losing interest. Re-investment of funds, with interest, as automatically undertaken for the Headteacher unless funds are required for anticipated expenditure.

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

Principal Risks And Uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 84% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 22 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with schools in the Torbay Teaching School Alliance to improve the educational opportunities for students in the wider community.

In the long term, the Academy is looking to re-design the Year 5 and 6 classrooms to be more conducive to the learning needs of the pupils and the changes to the curriculum. This work will be dependent on obtaining future grants from the Academy Capital Grants.

Full details of our plans for the future are given in our Academy Development Plan, which is available on our website or from the Clerk to the Trustees.

We plan to continue to develop the deployment of teaching assistants according to need.

The Board continue to remain open-minded to the possibility of a future collaboration and potential MAT formation.

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as company directors, on 22/11/16 and signed on the board's behalf by:



**Robert Dickinson
Chair of Trustees**

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, 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 Torre Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Suzanne Julyan, Head Teacher	5	5
Philip Miles	3	5
Carolyn Wyatt, Staff Trustee	0	0
Robert Dickinson, Chair of Trustees	5	5
Ian Westwood	5	5
Karen Crompton, Staff Trustee	3	5
Caroline Milner, Parent Trustee	4	5
Gavin Hancocks	4	5
Angie Gibbings	3	5
Fiona Washbrook, Parent Trustee	5	5
Hayley Harker, Staff Trustee	5	5
Fr. Peter March, Ex-Officio	0	0

The Governors have had to implement ongoing changes subsequent to the conversion of the school to Academy status which has involved re-structuring of the board so as to undertake the many additional responsibilities.

Governance reviews

The Board of Governors have had an external review undertaken by Babcock during the previous financial year. This has been discussed at the meeting of the Full Governing Body and a working party has implemented the recommendations contained within this report.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its terms of reference are:

Purpose

The Finance Committee's key responsibility is to ensure that the governing body fulfils its statutory responsibilities relating to the school's budget, compliance and monitoring of Anti-fraud policy and the school site and buildings.

The Finance Committee will be the Appeal Committee for all decisions on staff pay, dismissal, grievance or redundancy. The First Committee will be the Governing Body Complaints Appeals Committee.

Membership

The Finance Committee shall consist of five governors plus the Headteacher and Finance Officer. Staff members may be members of the committee but there must be sufficient non staff members to ensure meetings are quorate when staff are required to withdraw or not take part.

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Meetings

The committee shall meet half termly and at any other times as required.

Quorum

The quorum shall be three governors. The committee shall not meet without the Headteacher or his/her representative being present except when it is necessary for the Headteacher or his/her representative to withdraw from the meeting.

- 1 To draft, review and monitor key policies, including Financial Management, Anti-fraud and Charging and Remissions.
- 2 To draft a preliminary budget in line with priorities set out in the school's improvement plan and post Ofsted inspection action plan and present it to the full governing body for approval.
- 3 To complete the Anti-fraud checklist for Academy Trusts to identify and controls needed to minimise the risk of fraud.
- 4 To monitor the income and expenditure of all public funds (including the school budget and the Standards Fund), to ensure that all public funds are audited and to receive and respond to audit reports.
- 5 To ensure that spending decisions are made to comply with Best Value requirements.
- 6 To draft, review and monitor the health and safety policy and to respond, when necessary, to health and safety inspections by LEA officers.
- 7 To draft and keep under review a Lettings policy and to periodically review any lettings arrangements.

Under delegated authority

- 8 To spend and vire funds within limits set by the governing body.
- 9 To consider appeals about decisions relating to staff pay, dismissal, grievance or redundancy and to act as the Governing Body Complaints Appeals Committee.

The Finance committee meet twice termly and receive Finance reports generated through FMS finance programme and monthly cash flow reports and any changes are questioned and discussed. There is also a detailed oral report from the Business Manager who attends all meetings. Policies are read, discussed and agreed.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
I Westwood	5	5
R Dickinson	5	5
P Miles	4	5
S Julyan	5	5
F Washbrook	5	5

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- A clear school improvement plan, linked to identified priorities
- Resources were targeted to meet the needs of the SIP
- Team leaders experienced being responsible for a larger team budget incorporating resources normally purchased centrally. This reduced over ordering and wastage
- There was a clear process for ordering, based on analysis of need and review of current resources. Resources were then purchased via subject team leasers. There was a value for money process whereby prices were reviewed, and the most cost effective route followed. A lead administrative person was responsible for this for more expensive items (as per finance policy). Orders were then signed by the Head teacher and reviewed again by the business manager. Spending limits are set and followed as per the finance policy.
- To ensure value for money, the school conducted a comparison with other schools using Bishop Fleming's Academies Benchmarking Report. Budgets and spending were compared. This was in additional to the usual financial benchmarking.
- Governors met at least half termly to review and agree spending. Regular meetings were held with the Finance Officer for Torbay, as a service purchased by the academy. Termly audits were in place, with very few action points and no significant areas for improvement.
- Robust systems were in place to ensure value for money. Governors embrace their role as strategic leads, who support and challenge.
- The academy ran the local network for Literacy. All schools benefitted from this economy of scales.

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 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 Torre Church of England Academy for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Devon Audit as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an annual basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Devon Audit visited the school on three occasions during the last academic year the first visit took place in November and the second in March and the third in June and all planned areas were covered. The Levels of Assurance awarded were: - 7 High Standard, 2 Good Standard and no Improvements required. All recommendations have now been actioned.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 22/11/16 and signed on their behalf, by:



**Robert Dickinson
Chair of Trustees**



**Suzanne Julyan
Accounting Officer**

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Torre Church of England Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



**Suzanne Julyan
Accounting Officer**



**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees (who act as governors of Torre Church of England Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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;
- 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 board of trustees and signed on its behalf by:



**Robert Dickinson
Chair of Trustees**

Date: 22/11/16

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF TORRE CHURCH OF ENGLAND ACADEMY**

We have audited the financial statements of Torre Church of England Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy 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 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 academy'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 Trustees' 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 FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy'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
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF TORRE CHURCH OF ENGLAND ACADEMY**

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.

William Hanbury FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

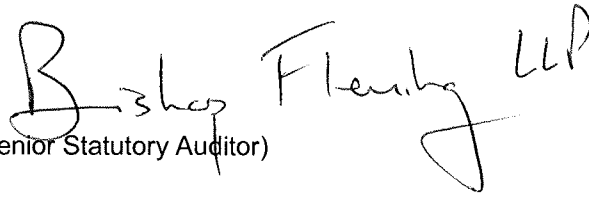
50 The Terrace

Torquay

Devon

TQ1 1DD

Date: 5/12/16

A handwritten signature in black ink, appearing to read "Bishop Fleming LLP", is written over the printed name of the auditor. The signature is stylized and cursive.

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO TORRE
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27/07/2016 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 Torre Church of England Academy during the year 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 Torre Church of England Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Torre Church of England Academy and 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 Torre Church of England Academy and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TORRE CHURCH OF ENGLAND ACADEMY'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Torre Church of England Academy's funding agreement with the Secretary of State for Education dated 28/08/2013, 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 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's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO TORRE
CHURCH OF ENGLAND ACADEMY 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 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



William Hanbury FCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
50 The Terrace
Torquay
Devon
TQ1 1DD

Date: 5/12/16

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations & capital grants:						
Assets donated from Torbay Council	2	-	-	-	-	35,146
Other donations and capital grants	2	986	34,130	14,302	49,418	50,229
Charitable activities	3	147,087	1,216,988	-	1,364,075	1,283,433
Other trading activities	4	34,647	-	-	34,647	50,087
Investments	5	1,044	-	-	1,044	670
TOTAL INCOME		183,764	1,251,118	14,302	1,449,184	1,419,565
EXPENDITURE ON:						
Charitable activities		168,308	1,262,096	83,766	1,514,170	1,324,697
TOTAL EXPENDITURE	8	168,308	1,262,096	83,766	1,514,170	1,324,697
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
		15,456	(10,978)	(69,464)	(64,986)	94,868
Transfers between Funds	18	-	(77,354)	77,354	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		15,456	(88,332)	7,890	(64,986)	94,868
Actuarial losses on defined benefit pension schemes	22	-	(359,000)	-	(359,000)	(16,000)
NET MOVEMENT IN FUNDS		15,456	(447,332)	7,890	(423,986)	78,868
RECONCILIATION OF FUNDS:						
Total funds brought forward		72,771	(244,216)	2,885,943	2,714,498	2,635,630
TOTAL FUNDS CARRIED FORWARD		88,227	(691,548)	2,893,833	2,290,512	2,714,498

The notes on pages 26 to 47 form part of these financial statements.

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08594520**

**BALANCE SHEET
AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		2,880,832		2,875,197
CURRENT ASSETS					
Stocks	14	12,700		12,700	
Debtors	15	34,365		39,927	
Cash at bank and in hand		311,739		291,160	
			<u>358,804</u>	<u>343,787</u>	
CREDITORS: amounts falling due within one year	16	(145,124)		(109,486)	
NET CURRENT ASSETS			<u>213,680</u>		<u>234,301</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,094,512</u>		<u>3,109,498</u>
Defined benefit pension scheme liability	22		<u>(804,000)</u>		<u>(395,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>2,290,512</u></u>		<u><u>2,714,498</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	112,452		150,784	
Fixed asset funds	18	2,893,833		2,885,943	
			<u>3,006,285</u>	<u>3,036,727</u>	
Restricted funds excluding pension liability					
Pension reserve		(804,000)		(395,000)	
			<u>2,202,285</u>	<u>2,641,727</u>	
Total restricted funds					
Unrestricted funds	18		<u>88,227</u>	<u>72,771</u>	
TOTAL FUNDS			<u><u>2,290,512</u></u>	<u><u>2,714,498</u></u>	

The financial statements were approved by the Trustees, and authorised for issue, on 22/11/16 and are signed on their behalf, by:



**Robert Dickinson
Chair of Trustees**

The notes on pages 26 to 47 form part of these financial statements.

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>45,224</u>	<u>115,426</u>
Cash flows from investing activities:			
Interest received		1,044	670
Purchase of tangible fixed assets		(39,991)	(26,036)
Capital grants from DfE and other capital income		<u>14,302</u>	<u>19,250</u>
Net cash used in investing activities		<u>(24,645)</u>	<u>(6,116)</u>
Change in cash and cash equivalents in the year		20,579	109,310
Cash and cash equivalents brought forward		<u>291,160</u>	<u>181,850</u>
Cash and cash equivalents carried forward	21	<u><u>311,739</u></u>	<u><u>291,160</u></u>

**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Torre Church of England Academy constitutes a public benefit entity as defined by FRS 102.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

First time adoption of FRS 102

These financial statements are the first financial statements of Torre Church of England Academy 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 Torre Church of England Academy for the year ended 31 August 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 Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

1.2 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

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

Charitable Activities 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.

All resources expended are inclusive of irrecoverable VAT.

1.5 GOING CONCERN

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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

Where the Academy Trust has been granted use of school buildings from the Diocese of Exeter under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Academy Trust. The land and buildings have been included since conversion within the long-term leasehold property of the Academy Trust. On conversion the long-term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method. This view differs from the view of the Church of England.

The Supplemental Agreement includes the right for the Diocese of Exeter Trustees to give not less than 2 years written notice to the Academy Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	2% straight line buildings and 125 years land
Fixtures and fittings	-	between 2 - 3 years straight line
Computer equipment	-	between 2 - 3 years straight line

1.7 OPERATING LEASES

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

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1.9 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1. ACCOUNTING POLICIES (continued)

1.11 LIABILITIES AND PROVISIONS

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

1.12 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

1.13 TAXATION

The academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.14 PENSIONS

Retirement benefits to employees of the academy 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.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, 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.

1. ACCOUNTING POLICIES (continued)

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.

1.15 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in managing Literacy Network funds from local schools. Payments received from these schools and subsequent expenses 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 20% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at the year end are disclosed in note 27.

**TORRE CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 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.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Assets donated from Torbay Council	-	-	-	-	35,146
Donations	986	34,130	-	35,116	30,979
Capital Grants	-	-	14,302	14,302	19,250
Subtotal	986	34,130	14,302	49,418	50,229
	986	34,130	14,302	49,418	85,375

In 2015, of the total income from donations and capital grants, £3,172 was to unrestricted funds and £82,203 was to restricted funds.

**TORRE CHURCH OF ENGLAND ACADEMY
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FOR THE YEAR ENDED 31 AUGUST 2016**

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Education	29,437	1,216,988	1,246,425	1,184,473
Nursery	117,650	-	117,650	98,960
	<u>147,087</u>	<u>1,216,988</u>	<u>1,364,075</u>	<u>1,283,433</u>

In 2015, of the total income from charitable activities, £128,229 was to unrestricted funds and £1,155,204 was to restricted funds.

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	1,001,275	1,001,275	949,532
Other DfE/EFA grants	-	141,457	141,457	131,757
	<u>-</u>	<u>1,142,732</u>	<u>1,142,732</u>	<u>1,081,289</u>
Other government grants				
High Needs	-	21,741	21,741	20,490
Other government grants non capital	-	48,312	48,312	41,486
	<u>-</u>	<u>70,053</u>	<u>70,053</u>	<u>61,976</u>
Other funding				
Internal catering income	21,601	-	21,601	14,035
Income for hosting trainee teachers	7,808	-	7,808	5,850
Other	28	4,203	4,231	21,323
	<u>29,437</u>	<u>4,203</u>	<u>33,640</u>	<u>41,208</u>
	<u>29,437</u>	<u>1,216,988</u>	<u>1,246,425</u>	<u>1,184,473</u>

In 2015, of the total income from charitable activities, £29,269 was to unrestricted funds and £1,155,204 was to restricted funds.

**TORRE CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	259	-	259	502
General reimbursement	4,881	-	4,881	23,999
Fees received	29,507	-	29,507	25,586
	<u>34,647</u>	<u>-</u>	<u>34,647</u>	<u>50,087</u>

In 2015, of the total income from other trading activities, £50,087 was to unrestricted funds and £Nil was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	1,044	-	1,044	670

In 2015, of the total investment income, £670 was to unrestricted funds and £Nil was to restricted funds.

6. DIRECT COSTS

	Education £	Nursery £	Total 2016 £	Total 2015 £
Pension finance costs	15,000	-	15,000	14,000
Educational supplies	31,108	2,064	33,172	35,313
Staff development	11,160	-	11,160	13,954
Other costs	34,740	-	34,740	3,490
Supply teachers	5,903	550	6,453	-
Technology costs	25,202	-	25,202	13,475
Legal and professional	5,138	-	5,138	-
Wages and salaries	652,925	64,040	716,965	666,312
National insurance	46,016	3,852	49,868	38,295
Pension cost	117,715	9,736	127,451	116,170
Depreciation	57,986	-	57,986	55,413
	<u>1,002,893</u>	<u>80,242</u>	<u>1,083,135</u>	<u>956,422</u>

**TORRE CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. SUPPORT COSTS

	Education £	Nursery £	Total 2016 £	Total 2015 £
Other costs	14,967	258	15,225	43,391
Recruitment and support	2,209	-	2,209	1,340
Maintenance of premises and equipment	15,156	1,715	16,871	10,445
Cleaning	7,454	1,040	8,494	7,100
Rent and rates	6,246	760	7,006	5,730
Energy costs	16,186	3,463	19,649	16,780
Insurance	18,700	-	18,700	21,630
Security and transport	2,932	200	3,132	2,810
Catering	32,861	-	32,861	26,640
Office overheads	15,108	-	15,108	12,190
Legal and professional	53,271	-	53,271	42,692
Governance	11,650	-	11,650	16,740
Wages and salaries	138,638	16,146	154,784	132,138
National insurance	8,151	265	8,416	7,005
Pension cost	36,304	1,575	37,879	21,530
Depreciation	25,780	-	25,780	114
	<u>405,613</u>	<u>25,422</u>	<u>431,035</u>	<u>368,275</u>

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	822,559	57,986	122,348	1,002,893	846,972
Support costs	183,093	40,936	181,584	405,613	371,765
Nursery:					
Nursery: Direct costs	78,178	-	2,064	80,242	98,960
Support costs	17,986	1,715	5,721	25,422	-
	<u>1,101,816</u>	<u>100,637</u>	<u>311,717</u>	<u>1,514,170</u>	<u>1,317,697</u>

In 2016, of the total expenditure, £168,308 (2015: £166,724) was to unrestricted funds and £1,295,862 (2015: £1,150,973)

**TORRE CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	83,766	55,527
Auditors' remuneration - audit	4,740	4,335
Auditors' remuneration - other services	2,070	1,765
Internal audit costs	1,500	1,200
Operating lease rentals	15,080	10,000
	<u> </u>	<u> </u>

10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	871,749	797,156
Social security costs	58,284	45,300
Operating costs of defined benefit pension schemes	165,330	137,700
	<u> </u>	<u> </u>
Supply teacher costs	1,095,363	980,156
Staff restructuring costs	6,453	-
	-	1,294
	<u> </u>	<u> </u>
	<u>1,101,816</u>	<u>981,450</u>

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

	2016 No.	2015 No.
Teachers	13	12
Administration and support	35	35
Management	4	4
	<u> </u>	<u> </u>
	<u>52</u>	<u>51</u>

No employee received employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeding £60,000.

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as 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 was £267,226 (2015: £206,769).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

**TORRE CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the role of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their roles as Trustees. The value of Trustees' remuneration and other benefits was as follows: S Julyan: Remuneration £55,000 - £60,000 (2015: £50,000 - £55,000), Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000), K Crompton: Remuneration £40,000 - £45,000 (2015: £40,000 - £45,000), Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000), H Harker, appointed 14 September 2015: Remuneration £10,000 - £15,000, Employer's pension contributions £Nil - £5,000, C Wyatt, resigned 1 September 2015: Remuneration £Nil (2015: £5,000 - £10,000), Employer's pension contributions £Nil (2015: £Nil - £5,000).

During the year retirement benefits were accruing to 3 Trustees (2015: 3) in respect of defined benefit pension schemes.

During the year ended 31 August 2016, expenses totalling £416 (2015: £NIL) were reimbursed to 3 Trustees (2015: nil).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £790 (2015: £621).

13. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2015	2,898,427	55,925	17,222	2,971,574
Additions	77,355	-	12,046	89,401
At 31 August 2016	<u>2,975,782</u>	<u>55,925</u>	<u>29,268</u>	<u>3,060,975</u>
DEPRECIATION				
At 1 September 2015	72,797	19,332	4,248	96,377
Charge for the year	55,438	18,641	9,687	83,766
At 31 August 2016	<u>128,235</u>	<u>37,973</u>	<u>13,935</u>	<u>180,143</u>
NET BOOK VALUE				
At 31 August 2016	<u>2,847,547</u>	<u>17,952</u>	<u>15,333</u>	<u>2,880,832</u>
At 31 August 2015	<u>2,825,630</u>	<u>36,593</u>	<u>12,974</u>	<u>2,875,197</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

14. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	<u>12,700</u>	<u>12,700</u>

15. DEBTORS

	2016 £	2015 £
VAT recoverable	5,109	12,110
Prepayments and accrued income	29,256	27,817
	<u>34,365</u>	<u>39,927</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other taxation and social security	32,008	26,950
Other creditors	6,280	-
Accruals and deferred income	106,836	82,536
	<u>145,124</u>	<u>109,486</u>

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	73,987	68,300
Resources deferred during the year	36,211	73,987
Amounts released from previous years	(73,987)	(68,300)
Deferred income at 31 August 2016	<u>36,211</u>	<u>73,987</u>

Deferred income relates to Universal infant Free School Meal and Trip income received which relate to the 16/17 year.

**TORRE CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

17. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	311,739	291,160
Financial assets measured at amortised cost	5,109	12,110
	<u>316,848</u>	<u>303,270</u>
Financial liabilities measured at amortised cost	<u>(842,288)</u>	<u>(421,950)</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents

Financial assets measured at amortised cost comprise VAT recoverable and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors, other taxation and social security and defined benefit pension deficit.

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
DESIGNATED FUNDS						
Designated funds	-	-	-	40,000	-	40,000
GENERAL FUNDS						
General funds	72,771	66,114	(62,644)	(40,000)	-	36,241
Nursery	-	117,650	(105,664)	-	-	11,986
	<u>72,771</u>	<u>183,764</u>	<u>(168,308)</u>	<u>(40,000)</u>	<u>-</u>	<u>48,227</u>
Total Unrestricted funds	<u>72,771</u>	<u>183,764</u>	<u>(168,308)</u>	<u>-</u>	<u>-</u>	<u>88,227</u>

**TORRE CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

18. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	113,193	1,001,276	(950,708)	(71,159)	-	92,602
Rates	-	7,610	(7,610)	-	-	-
Planned pupil growth	-	42,092	(42,092)	-	-	-
Pupil premium	28,960	75,111	(83,817)	(7,714)	-	12,540
UIFSM	-	49,381	(50,900)	1,519	-	-
High needs	-	21,741	(21,741)	-	-	-
PE grant	6,488	9,065	(8,243)	-	-	7,310
School trips	-	24,658	(24,658)	-	-	-
Literacy network	-	6,220	(6,220)	-	-	-
Music	673	1,200	(1,873)	-	-	-
Restricted donations	1,470	9,761	(11,231)	-	-	-
Other restricted	-	3,003	(3,003)	-	-	-
Pension reserve	(395,000)	-	(50,000)	-	(359,000)	(804,000)
	<u>(244,216)</u>	<u>1,251,118</u>	<u>(1,262,096)</u>	<u>(77,354)</u>	<u>(359,000)</u>	<u>(691,548)</u>

RESTRICTED FIXED ASSET FUNDS

Assets transferred on conversion	1,919,347	-	(36,298)	-	-	1,883,049
Devolved formula capital grant	13,692	14,302	(5,070)	-	-	22,924
Capital expenditure from GAG	4,922	-	(1,954)	77,354	-	80,322
Assets transferred following new build	903,637	-	(18,103)	-	-	885,534
Assets transferred from Diocese of Exeter	20,152	-	(12,215)	-	-	7,937
Assets donated by Torbay Council	6,573	-	(3,232)	-	-	3,341
Condition Improvement Fund	11,349	-	(4,033)	-	-	7,316
Assets donated by PTA	6,271	-	(2,861)	-	-	3,410
	<u>2,885,943</u>	<u>14,302</u>	<u>(83,766)</u>	<u>77,354</u>	<u>-</u>	<u>2,893,833</u>
Total restricted funds	<u>2,641,727</u>	<u>1,265,420</u>	<u>(1,345,862)</u>	<u>-</u>	<u>(359,000)</u>	<u>2,202,285</u>
Total of funds	<u><u>2,714,498</u></u>	<u><u>1,449,184</u></u>	<u><u>(1,514,170)</u></u>	<u><u>-</u></u>	<u><u>(359,000)</u></u>	<u><u>2,290,512</u></u>

**TORRE CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

18. STATEMENT OF FUNDS (continued)

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

DESIGNATED FUNDS

Designated funds - This fund represents the Academies intention to improve the upper KS2 area and classrooms.

UNRESTRICTED FUNDS

General funds - This represents unrestricted funding received in the year.

Nursery - This represents funding received to provide nursery facilities.

RESTRICTED FUNDS

General Annual Grant (GAG) - This funds includes income from the EFA which is to be used for the running costs of the Academy, including education and support costs.

High needs - This is a grant received from the local authority towards the costs for providing teaching for pupils with high needs.

Pupil premium - This funding represents funding received from the EFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

UIFSM - This funding was received in order to ensure children that meet the criteria have access to free school meals.

PE Grant - This represents funding received from the EFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Other restricted funds - This relates smaller restricted income streams.

Pension reserve - This fund represents the pension deficit for Local Government Pension Scheme (LGPS) as revalued in note 22.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion - This represents the fixed assets transferred from the Local Authority on conversion to an Academy.

Devolved formula capital grant- This represents funding from the EFA to cover the maintenance and purchase of the Academy's assets.

Fixed assets purchased from GAG and unrestricted funds - This fund includes transfers from the GAG restricted fund for capital related expenditure.

DfE/EFA Capital grants - Grants from the EFA for capital related expenditure. At the year end £13,001 remained unspent.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	2,880,832	2,880,832	2,875,197
Current assets	198,265	147,538	13,001	358,804	343,787
Creditors due within one year	(110,038)	(35,086)	-	(145,124)	(109,486)
Pension scheme liability	-	(804,000)	-	(804,000)	(395,000)
	<u>88,227</u>	<u>(691,548)</u>	<u>2,893,833</u>	<u>2,290,512</u>	<u>2,714,498</u>

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

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(64,986)	94,868
Adjustment for:		
Depreciation charges	83,766	55,525
Interest received	(1,044)	(670)
Decrease in stocks	-	2,600
Decrease/(increase) in debtors	5,562	(17,557)
Decrease in creditors	(13,772)	(7,944)
Capital grants from DfE and other capital income	(14,302)	(19,250)
Defined benefit pension scheme cost less contributions payable	35,000	29,000
Defined benefit pension scheme finance cost	15,000	14,000
Assets donated by Torbay Council	-	(35,146)
Net cash provided by operating activities	<u>45,224</u>	<u>115,426</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	271,260	211,059
Notice deposits	40,479	80,101
Total	<u>311,739</u>	<u>291,160</u>

**TORRE CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

22. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £15,395 were payable to the schemes at 31 August 2016 (2015: 12,539) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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 £73,664 (2015: £60,236).

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

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22. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £66,000 (2015: £62,000), of which employer's contributions totalled £48,000 (2015: £46,000) and employees' contributions totalled £18,000 (2015: £16,000). The agreed contribution rates for future years are 17.1% for employers and will range between 5.5% and 7.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Expected return on scheme assets at 31 August	3.20 %	6.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	26.2	26.1
Retiring in 20 years		
Males	25.2	25.1
Females	28.6	28.4

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22. PENSION COMMITMENTS (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	299,000	221,000
Bonds/Gilts	13,000	39,000
Property	50,000	41,000
Cash	9,000	9,000
Infrastructure/Alternative Assets	16,000	19,000
Target return portfolio	95,900	58,000
	<u>482,900</u>	<u>387,000</u>
Total market value of assets	<u>482,900</u>	<u>387,000</u>

The actual return on scheme assets was £58,000.

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(83,000)	(75,000)
Net interest cost	(15,000)	(14,000)
	<u>(98,000)</u>	<u>(89,000)</u>
Total	<u>(98,000)</u>	<u>(89,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	782,000	662,000
Current service cost	83,000	75,000
Interest cost	32,000	28,000
Contributions by employees	18,000	16,000
Actuarial losses	400,000	1,000
Benefits paid	(2,000)	-
	<u>1,313,000</u>	<u>782,000</u>
Closing defined benefit obligation	<u>1,313,000</u>	<u>782,000</u>

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FOR THE YEAR ENDED 31 AUGUST 2016**

22. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	387,000	326,000
Return on plan assets (excluding net interest on the net defined pension liability)	17,000	14,000
Actuarial gains and (losses)	41,000	(15,000)
Contributions by employer	48,000	46,000
Contributions by employees	18,000	16,000
Benefits paid	(2,000)	-
	<u>509,000</u>	<u>387,000</u>
Closing fair value of scheme assets	<u>509,000</u>	<u>387,000</u>

23. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	20,164	7,884
Between 1 and 5 years	25,917	10,102
Total	<u>46,081</u>	<u>17,986</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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

25. GENERAL INFORMATION

Torre Church of England Academy is a company limited by guarantee, incorporated in England and Wales. The registered office is Torre Church of England Academy, Barton Road, Torquay, TQ1 4DN.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy'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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

The Diocese of Exeter owned land and buildings that are made available for the Academy Trust's use.

Mrs H Lewis, daughter of Mrs A Newton, a member of the Senior Leadership Team, is employed as part of the admin department. Mrs H Lewis' appointment was made in open competition and Mrs A Newton was not involved in the decision making process. Mrs H Lewis is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with a member of the Senior Leadership Team.

During the year, the Academy paid £4,101 to Walker Newton Architecture, a company associated with Mrs A Newton, a member of the Senior Leadership Team. The total paid was outstanding as at 31 August 2016.

27. AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in managing Literacy Network funds from local schools. In the year ended 31 August 2016 the Academy trust received £6,220 and expensed £34,789 from the fund. An amount of £6,280 is included in other creditors relating to undistributed funds.

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28. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2015 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		2,635,630	2,714,498
Total funds reported under FRS 102		<u>2,635,630</u>	<u>2,714,498</u>
Reconciliation of net income /(expenditure)	Notes		31 August 2015
			£
Net income (before actuarial losses) previously reported under UK GAAP			101,868
Change in recognition of LGPS interest cost	A		(7,000)
Net movement in funds reported under FRS 102			<u>94,868</u>

Explanation of changes to previously reported funds and net income/expenditure:

A Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenses. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in expenses. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £7,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

