

Company Registration Number: 08594520 (England & Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members Kevin Hook, PCC appointed member
Jo Simpson, Representative of EDEN
Robert Bennett, Plymouth University
Robert Dickinson, Chair of Trustees
Philip Mantell, Representative of EDEN (resigned 1 September 2017)

Trustees Suzanne Julyan, Head Teacher^{1,2,3,4}
Robert Dickinson^{2,3,4}
Caroline Milner, Parent Trustee⁴
Angie Gibbings^{1,4}
Fiona Washbrook, Chair of Trustees^{1,2,3}
Hayley Harker, Staff Trustee⁴
Fr. Peter March, Ex-Officio (appointed 2 November 2016)^{1,4}
Jacob McClure (appointed 11 January 2017)^{2,3,4}
Susanna Sandeman (appointed 2 March 2017)⁴
Rachel Cowell, Staff Trustee (appointed 18 April 2017)⁴
Ian Westwood (resigned 4 November 2016)^{2,3,4}
Karen Crompton, Staff Trustee (resigned 28 February 2017)⁴
Philip Miles (resigned 31 August 2017)^{2,3,4}

- 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
Karen Crompton, Assistant Headteacher (resigned 28 February 2017)
Rachel Cowell, Team Leader
Michelle Lewis, Team Leader
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 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. 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 337 and had a roll of 336 in the school census on 18th May 2017.

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 Members.
- the Headteacher who is treated for all purposes as being an ex officio Governor.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

EDEN is empowered to appoint under Article 50.

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 Headteachers, two Team Leaders and the Academy 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 2017**

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 Senior Leadership Team (SLT) consists of the Headteacher, Deputy Headteacher, Assistant Headteachers, two Team Leaders and the Academy Business Manager. The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. 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

EDEN is a related party as they are responsible for the appointment of the foundation governors. EDEN is not in the majority at Member level.

The Academy has strong collaborative links with the Torbay Teaching School Alliance (TTSA) and the Headteacher plays a role in the running of the English Network. The Headteacher is also a member of the Strategic Board for the All Saints' Teaching School Alliance. The Headteacher is a facilitator for the Church of England Foundation and co-facilitates the Church of England Professional Qualification for Headship for the South West region.

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 2018 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

- 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.
- 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 writing
- 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 decrease the gap between PP and non PP achieving the GLD in the Early Years Foundation Stage

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 writing through increased CPD and monitoring
- To continue to develop tablet technology across the curriculum to prepare children for tomorrow's world

Personal development, behaviour and welfare:

- To actively support pupils and staff in having a good standard of emotional health and 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

Curriculum development:

- To continue to develop the SOLE approach across the school - considering children's interests and provision for the less-academic
- To ensure that the CofE vision and the school vision helps to shape the curriculum
- To develop a 'Can do' attitude to learning
- To develop the use of 'flipped learning' and 'IRIS'
- To develop a sustainable global link with Peru
- To continue to improve the standard of learning and teaching in RE

Leadership and management:

- To develop all leaders at all levels across the school
- To further develop school partnerships including with St Christopher's MAT and Challenge Partners
- To implement focused improvement plans, policies and procedures

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

- 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 continue to embed the use of 'Understanding Christianity' resources
- To fully embed the CofE and school vision making links across the curriculum
- To develop an effective approach to Collective Worship

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 implement safe, reflective spaces for children to go to during unstructured times

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 third year of operation and continues to be oversubscribed. The total number of students in the year ended 31 August 2017 was 336 but this has decreased to 334 in September 2017 due to Nursery children taking up 30 hours resulting in fewer places and increased Reception year intake. The Academy is full in six 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 in maths and reading, but below in writing:

- Reading – 81%
- Writing – 66%
- Spelling, Grammar and Punctuation – 78%
- Mathematics – 78%

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

- Combined – 66%

Children in KS1 made good progress. Although attainment was below the national average, results were significantly better than last year's KS1 results:

- Reading – 71%
- Writing – 64%
- Mathematics – 78%
- Phonics – 81%

Results Summary 2017

The information below compares the attainment of our pupils with local authority and national averages. We are pleased with our Key Stage 2 results, especially with the increased expectations. Maths and writing are lower this year, but our reading is now significantly above the national average. Our phonics screening check results are a huge improvement on last year's results. Although the percentage may not seem much different, many more of our pupils had a higher raw score than last year when lots of children only just hit the threshold. Our Key Stage 1 results are also much improved from last year, although we acknowledge that there is more work to be done, so that we are above national expectations.

Early Years Foundation Stage

Pupil Group	GLD	Not GLD
All Children (45)	68.9% [31]	31.1% [14]
Boys	63.6% [14]	36.4% [8]
Girls	73.9% [17]	26.1% [6]
Pupil Service Premium	50.0% [5]	50.0% [5]
NOT Pupil Service Premium	74.3% [26]	25.7% [9]
EAL children	50.0% [1]	50.0% [1]
Not EAL children	69.8% [30]	30.2% [13]

A very different cohort of children this year compared to the previous year has brought our GLD score down significantly. We are still in line with the National average.

A Good Level of Development is defined as children working at the expected standard or exceeding the expected standard in the key areas of literacy, maths, physical development, communication and language and personal, social and emotional development.

Year One Phonic Screening

84% of pupils in Year One attained the expected standard in the Phonic Screening test. The Torbay average was 83% and the national average was 81%.

Year Two Phonics Screening (re-screens)

95% of pupils in Year Two who had to be re-screened this year, attained the expected standard in the Phonic Screening test. This is above the national average of 92%

Key Stage One

This is the second year of the new testing and assessment arrangements for Year 2. These arrangements reflect the more challenging national curriculum which was introduced in 2014. The results can be compared with results in 2016.

At the end of KS1 (Yr2), teachers are required to assess each child in the areas of reading, writing, maths and science. National Curriculum assessment tests are used to support teachers' judgements.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Although there is still progress to be made; we were happy with the increase in percentages across the board in KS1 this year. We were particularly happy with our maths result of 78%; this of which was higher in the SATS tests and have identified the areas in which need improving to increase the writing percentage next year.

The system of national curriculum levels has been removed and the new measures are as follows:

Expected Standard – Working at the expected standard for a child at the end of Year 2

Greater Depth – Working at greater depth within the expected standard, with a strong understanding of the curriculum

End of KS1 results	Torre	Torbay LA average	National average
Reading – expected standard	71%	74%	76%
Reading – greater depth	29%	23%	25%
Writing – expected standard	64%	68%	68%
Writing – greater depth	11%	14%	16%
Maths – expected standard	78%	75%	75%
Maths – greater depth	13%	18%	21%

Key Stage Two

Children in Year 6 also took part in the testing and assessment arrangements – this is the second year of the new arrangements. Pupils' knowledge and understanding of the new curriculum was assessed. This curriculum provides greater challenge with higher expectations set for the end of KS2.

The results of the SATs (tests) are reported using a scaled score, where a score of 100 represents the expected standard. The highest possible score is 120 and the lowest is 80.

Children are awarded one of the following Teacher Assessment judgements in writing:

Expected Standard - Working at the expected standard for their age

Greater Depth - Working at greater depth within the expected standard and has a strong understanding of the curriculum

In addition to these measures and in line with requirements, we have reported the percentage of children achieving a High Standard.

Year 6 pupils were assessed in reading, writing, grammar, punctuation and spelling, maths and science.

Our results are, once again, pleasing. Torre pupils performed above the national average in reading, SPAG and maths. Attainment was also above local authority averages in these three areas.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

END OF KS2 RESULTS	TORRE	TORBAY LA AVERAGE	NATIONAL AVERAGE
Reading – expected standard+	81%	72%	71%
Reading – high standard	31%		
Reading – Average scaled score	100% (103/107 not including dis-applied and absent children)		104%
Writing – expected standard+	66%	75%	76%
Writing – greater depth	13%		77%
Spelling, punctuation and grammar – expected standard+	78%	76%	77%
Spelling, punctuation and grammar – high standard	41%		
Spelling, punctuation and grammar – average scaled score	102% (105/108 not including dis-applied and absent children)		106%
Maths – expected standard+	78%	73%	75%
Maths – high standard	25%		
Maths – scaled score	95% (98/101 not including dis-applied and absent children)		104%
Science – expected standard	88% (teacher assessment)		

66% of children achieved the expected standard in reading, writing and maths. The national average was 61% and the Torbay average 59%. 9% of children achieved the higher standard in maths and reading along with greater depth in writing compared with 8% in Torbay and 9% nationally.

We are above the floor standard set by the Government, meeting both the attainment and progress elements. We do not fit the 2016 'coasting schools' definition – the 2017 'coasting schools' definition will be released later in the autumn.

Progress

Children have been grouped according to their KS1 average points scores. This includes scores for reading, writing and mathematics. KS2 scores have then been worked out for each KS1 prior attainment group. A pupil's progress is then 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. This means that school level progress scores will be presented as positive and negative numbers either side of zero.

A positive score means that pupils in the school on average do better at KS2 than those with similar prior attainment nationally.

A negative score means that pupils in the school on average do worse at KS2 than those with similar prior attainment nationally.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

PROGRESS	All pupils	Non pupil premium	Pupil premium	Pupil premium not SEN
Reading	+0.6	+0.1	+3.4	+4.6
Writing	-2.7	-3.4	+2.1	+2
Maths	-2	-2	-2.5	-0.8

According to the National Progress Measures, this puts Torre at:

- Average in terms of progress in Reading
- Below average in terms of progress in Writing and Maths

The floor standard progress scores in 2017 are: Reading -5, Mathematics -5 and Writing -7. We are well above these scores.

The breakdown above of pupil premium scores are heavily influenced by the small number of children. We had 4 pupil premium children but only 3 of these children are included in the maths and reading progress scores because one pupil premium child was absent for the SATs.

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

Year Group ARE Year end Yr 1, 3, 4, 5 Not Exp in Tracking Points	ATTAINMENT								PROGRESS										
	ATP			% ARE					Prog ATP (this year)	Proportions Expected progress			Proportions Better than expected			ATP (this year)			
	WELL BELOW	BELOW	AT & GO (5)	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	11.7	11.6	11.9	2	29	69	22		50	75	4	0		2.4	2.7	2.3	1.5	
	Writing	11.4	11.3	11.5	2	38	60	4		50	50	4	25		2.8	2.5	3.0	0.7	
	Maths	11.6	11.5	11.8	2	24	73	9	3.0	87	88	100	18	38	3.5	3.8	3.9	2.3	
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	14.6	14.7	5	28	67	28	3.3	86	100	100	11	9	3.1	3.1	3.0	4.0	
	Writing	14.4	14.3	14.6	5	30	65	5		84			18	18	2.9			4.0	
	Maths	14.6	14.6	14.6	5	33	63	2	3.2	93	91	88	31	45	3.5	3.4	3.3	5.0	
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	17.4	17.2	17.6	3	43	55	22	3.0		91	80	9	7	3.0	3.0	3.0		
	Writing	17.0	16.8	17.2	5	45	50	7	2.9	88	82	100				3.0			
	Maths	17.3	17.4	17.3	2	38	60	2	3.0	93	91		9	15	3.1	3.0	3.1	3.8	
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	20.6	20.4	20.8	5	18	77	18	3.4	98	93	100	43	57		3.4	3.5	3.7	3.2
	Writing	20.2	19.9	20.4	7	38	56	4	3.2	98	93	100	26	29		3.2	3.1	3.3	
	Maths	20.1	20.4	20.0	11	22	67	9	3.2	85			37	29		3.2	2.9		3.0
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	23.4	20.4	23.4	3	33	63	10				0	10	0	0				2.8
	Writing	23.2	19.9	23.2	7	40	53	13	3.0				20	0	0	3.0	3.0	3.0	
	Maths	23.1	20.4	23.0	7	40	53	3	2.9			0	7	0	0				2.5

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

We continue to have a small group of parent volunteers who 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 5 and 6 classrooms, the IT suite and nurture classroom 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.

Continuing professional development for staff has been very successful with two middle leaders completing the NPQML. All members of staff have attended some form of training this year.

During the year, the Academy's charity fundraising activities raised £154.91.

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 is also a strategic board member of the All Saints' Teaching School Alliance. The Headteacher is a facilitator on the Church of England Professional Qualification for Headship working for the Church of England Foundation for Educational Leadership.

Key Performance Indicators

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2017 were 336, an increase of 12 over 2016. This number will continue to rise due to an increase in our PAN for the next three years.

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 the period under review, £77,917 was carried forward representing 8% of GAG.

The following KPI's are relevant to the academy:

	2017	2016
Pupil capacity	337	322
Pupil numbers	336	324
Total income per pupil	£4,653	£4,473
Total GAG income per pupil	£3,060	£3,066
GAG income ratio of total income	65.8%	69.1%
Total expenditure per pupil	£4,983	£4,673
Staff costs per pupil	£3,575	£3,401
Staff costs as a % of GAG income	117.0%	110.0%
Staff costs as a % of total costs	71.7%	72.8%
Pupil teacher ratio	24	24.9
Available reserves	£178,550	£180,829
Available reserves per pupil	£531	£558

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 £90,000. 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 £(481,548), with available reserves totalling £193,897. This includes £100,633 unrestricted, £77,917 GAG and £15,347 pupil premium.

The Trustees have reviewed the future plans of the Academy and it is hoped that there will be sufficient funds in the deposit account to continue with phase 3 of the expansion and re-modelling of the original school. The existing classrooms are very small and need to be enlarged.

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.

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 a 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 £90,000 and consideration should be given to investing each £90,000 tranche in a different authorised financial institution.

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 require for anticipated expenditure.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 ESFA. 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.

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Scheme), which is set out in Note 23 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 continue 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.

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 29.11.17..... and signed on the board's behalf by:



**Fiona Washbrook
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 4 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	4	4
Robert Dickinson	4	4
Fr. Peter March, Ex-Officio	2	2
Philip Miles	4	4
Ian Westwood	1	2
Angie Gibbings	3	4
Jacob McClure	2	2
Susanna Sandeman	2	2
Karen Crompton, Staff Trustee	0	3
Hayley Harker, Staff Trustee	4	4
Rachel Cowell, Staff Trustee	1	1
Caroline Milner, Parent Trustee	2	4
Fiona Washbrook, Chair of Trustees	4	4

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
S Julyan	6	6
R Dickinson	6	6
P Miles	6	6
F Washbrook	6	6
J McClure	2	3

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 Headteacher 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 addition 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 2016 to 31 August 2017 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 2016 to 31 August 2017 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
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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: - 5 High Standard, 3 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 29/11/17 and signed on their behalf, by:



**Fiona Washbrook
Chair of Trustees**



**Suzanne Julyan
Accounting Officer**

**TORRE CHURCH OF ENGLAND ACADEMY
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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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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



**Suzanne Julyan
Accounting Officer**

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- 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 ESFA/DfE have been applied for the purposes intended.

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

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



**Robert Dickinson
Chair of Trustees**

Date: 29/11/17

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

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

OPINION

We have audited the financial statements of Torre Church of England Academy for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. 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', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

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

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

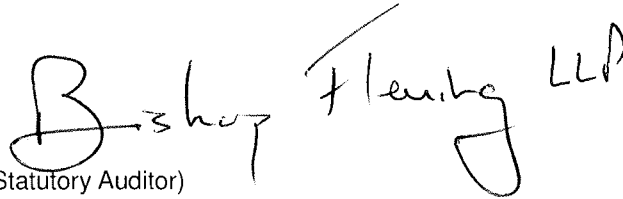
**TORRE CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Handwritten signature in black ink that reads "Bishop Fleming LLP". The signature is written in a cursive style with a large initial 'B'.

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: 13/12/17

**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 AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27/07/2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Torre Church of England Academy and the ESFA, 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy'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 AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

William Hanbury FCA (Reporting Accountant)

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

Date: 13/12/17

**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 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	6,433	96,497	7,372	110,302	104,662
Charitable activities	3	150,916	1,270,827	-	1,421,743	1,364,075
Other trading activities	4	32,027	-	-	32,027	34,647
Investments	5	163	-	-	163	1,044
TOTAL INCOME		189,539	1,367,324	7,372	1,564,235	1,504,428
EXPENDITURE ON:						
Charitable activities		177,135	1,468,686	29,646	1,675,467	1,591,524
TOTAL EXPENDITURE	6	177,135	1,468,686	29,646	1,675,467	1,591,524
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
		12,404	(101,362)	(22,274)	(111,232)	(87,096)
Transfers between Funds	19	-	(9,826)	9,826	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		12,404	(111,188)	(12,448)	(111,232)	(87,096)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	163,000	-	163,000	(359,000)
NET MOVEMENT IN FUNDS		12,404	51,812	(12,448)	51,768	(446,096)
RECONCILIATION OF FUNDS:						
Total funds brought forward		88,229	(691,548)	70,003	(533,316)	(2,714,498)
Prior year adjustment (Note 18)		-	-	-	-	2,627,278
TOTAL FUNDS CARRIED FORWARD		100,633	(639,736)	57,555	(481,548)	(533,316)

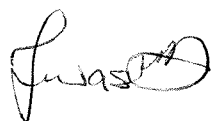
The notes on pages 29 to 52 form part of these financial statements.

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

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		46,194		57,002
CURRENT ASSETS					
Stocks	14	7,178		12,700	
Debtors	15	36,902		34,367	
Cash at bank and in hand		298,729		311,739	
			<u>342,809</u>	<u>358,806</u>	
CREDITORS: amounts falling due within one year	16	(137,551)		(145,124)	
NET CURRENT ASSETS			<u>205,258</u>		213,682
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>251,452</u>		270,684
Defined benefit pension scheme liability	23		(733,000)		(804,000)
NET ASSETS			<u>(481,548)</u>		(533,316)
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	19	93,264		112,452	
Fixed asset funds	19	57,555		70,003	
			<u>150,819</u>	<u>182,455</u>	
Restricted funds excluding pension liability					
Pension reserve		(733,000)		(804,000)	
Total restricted funds			<u>(582,181)</u>		(621,545)
Unrestricted funds	19		<u>100,633</u>		88,229
TOTAL DEFICIT			<u>(481,548)</u>		(533,316)

The financial statements on pages 26 to 52 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:



**Fiona Washbrook
Chair of Trustees**

The notes on pages 29 to 52 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 2017**

	Note	2017 £	As restated 2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	<u>(1,708)</u>	<u>17,279</u>
Cash flows from investing activities:			
Interest received		163	1,044
Purchase of tangible fixed assets		(18,838)	(12,046)
Capital grants from DfE and other capital income		7,373	14,302
Net cash (used in)/provided by investing activities		<u>(11,302)</u>	<u>3,300</u>
Change in cash and cash equivalents in the year		(13,010)	20,579
Cash and cash equivalents brought forward		<u>311,739</u>	<u>291,160</u>
Cash and cash equivalents carried forward	22	<u><u>298,729</u></u>	<u><u>311,739</u></u>

The notes on pages 29 to 52 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable 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 is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these 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

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

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 includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

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.

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

1.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.14 PENSIONS

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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 28.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Donations	6,433	96,497	-	102,930	90,360
Capital Grants	-	-	7,372	7,372	14,302
	<u>6,433</u>	<u>96,497</u>	<u>7,372</u>	<u>110,302</u>	<u>104,662</u>
<i>Total 2016</i>	<u>(1,716)</u>	<u>92,076</u>	<u>14,302</u>	<u>104,662</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Education	36,026	1,270,827	1,306,853	1,246,425
Nursery	114,890	-	114,890	117,650
	<u>150,916</u>	<u>1,270,827</u>	<u>1,421,743</u>	<u>1,364,075</u>
<i>Total 2016</i>	<u>147,087</u>	<u>1,216,988</u>	<u>1,364,075</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	1,028,027	1,028,027	1,001,275
Other DfE/ESFA grants	-	147,268	147,268	141,457
	<u>-</u>	<u>1,175,295</u>	<u>1,175,295</u>	<u>1,142,732</u>
Other Government grants				
High Needs	-	31,071	31,071	21,741
Other government grants non capital	-	49,373	49,373	48,312
	<u>-</u>	<u>80,444</u>	<u>80,444</u>	<u>70,053</u>
Other funding				
Internal catering income	28,421	-	28,421	21,601
Income for hosting trainee teachers	7,605	-	7,605	7,808
Other	-	15,088	15,088	4,231
	<u>36,026</u>	<u>15,088</u>	<u>51,114</u>	<u>33,640</u>
	<u>36,026</u>	<u>1,270,827</u>	<u>1,306,853</u>	<u>1,246,425</u>
<i>Total 2016</i>	<u>29,437</u>	<u>1,216,988</u>	<u>1,246,425</u>	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	118	-	118	259
General reimbursement	6,395	-	6,395	4,881
Fees received	25,514	-	25,514	29,507
	<u>32,027</u>	<u>-</u>	<u>32,027</u>	<u>34,647</u>
<i>Total 2016</i>	<u>34,647</u>	<u>-</u>	<u>34,647</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	163	-	163	1,044
	<u>163</u>	<u>-</u>	<u>163</u>	
<i>Total 2016</i>	<u>1,044</u>	<u>-</u>	<u>1,044</u>	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Education:					
Direct costs	854,284	64,253	202,626	1,121,163	1,002,893
Support costs	173,731	31,698	240,942	446,371	405,613
Nursery:					
Direct costs	122,071	-	(40,470)	81,601	80,242
Support costs	51,038	1,715	(26,421)	26,332	25,422
	<u>1,201,124</u>	<u>97,666</u>	<u>376,677</u>	<u>1,675,467</u>	<u>1,514,170</u>
<i>Total 2016</i>	<u>1,101,816</u>	<u>100,637</u>	<u>311,717</u>	<u>1,514,170</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. DIRECT COSTS

	Education £	Nursery £	Total 2017 £	Total 2016 £
Pension income	17,000	-	17,000	15,000
Educational supplies	34,027	2,370	36,397	33,172
Staff development	19,273	-	19,273	11,160
Other costs	46,771	-	46,771	34,740
Supply teachers	16,951	-	16,951	6,453
Rent	56,324	-	56,324	-
Technology costs	28,316	-	28,316	25,202
Legal and professional	3,357	-	3,357	5,138
Wages and salaries	678,021	64,589	742,610	716,965
National insurance	53,248	4,668	57,916	49,868
Pension cost	146,544	9,974	156,518	127,451
Depreciation	21,331	-	21,331	57,986
	<u>1,121,163</u>	<u>81,601</u>	<u>1,202,764</u>	<u>1,083,135</u>
<i>Total 2016</i>	<u>1,002,893</u>	<u>80,242</u>	<u>1,083,135</u>	

8. SUPPORT COSTS

	Education £	Nursery £	Total 2017 £	As restated Total 2016 £
Other costs	10,950	258	11,208	15,225
Recruitment and support	1,477	-	1,477	2,209
Maintenance of premises and equipment	63,980	1,715	65,695	94,226
Cleaning	9,472	1,045	10,517	8,494
Rent and rates	9,832	760	10,592	7,006
Energy costs	12,622	3,463	16,085	19,649
Insurance	13,635	-	13,635	18,700
Security and transport	2,773	200	2,973	3,132
Catering	38,819	13	38,832	32,861
Office overheads	10,116	-	10,116	15,108
Legal and professional	44,947	-	44,947	53,271
Governance	11,182	-	11,182	11,650
Wages and salaries	141,998	16,745	158,743	154,784
National insurance	10,319	405	10,724	8,416
Pension cost	55,934	1,728	57,662	37,879
Depreciation	8,315	-	8,315	25,780
	<u>446,371</u>	<u>26,332</u>	<u>472,703</u>	<u>508,390</u>
<i>Total 2016</i>	<u>482,968</u>	<u>25,422</u>	<u>508,390</u>	

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9. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2017	As restated
	£	2016
		£
Depreciation of tangible fixed assets:		
- owned by the Academy	29,646	28,522
Auditors' remuneration - audit	4,700	4,740
Auditors' remuneration - other services	1,775	2,070
Governance Internal audit costs	1,590	1,500
Operating lease rentals	24,866	15,080
	<u><u>24,866</u></u>	<u><u>15,080</u></u>

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10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	901,353	871,749
Social security costs	68,640	58,284
Operating costs of defined benefit pension schemes	214,180	165,330
	<u>1,184,173</u>	<u>1,095,363</u>
Supply teacher costs	16,951	6,453
	<u>1,201,124</u>	<u>1,101,816</u>

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

	2017 No.	2016 No.
Teachers	14	13
Administration and support	38	35
Management	4	4
	<u>56</u>	<u>52</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	13	12
Administration and support	22	19
Management	4	4
	<u>39</u>	<u>35</u>

No employee received remuneration amounting to more than £60,000 in either year.

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 £252,742 (2016: £267,226).

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.

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FOR THE YEAR ENDED 31 AUGUST 2017

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 (2016: £55,000 - £60,000), Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000), K Crompton, resigned 28 February 2017: Remuneration £20,000 - £25,000 (2016: £40,000 - £45,000), Employer's pension contributions £Nil - £5,000 (2016: £5,000 - £10,000), H Harker: Remuneration £10,000 - £15,000 (2016: £10,000 - £15,000), Employer's pension contributions £Nil - £5,000 (2016: £Nil - £5,000), R Cowell, appointed 27 April 2017: Remuneration £5,000 - £10,000 (2016: £Nil), Employer's pension contributions £Nil - £5,000 (2016: £Nil).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016: £416 to 3 Trustees).

12. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2016 (as previously stated)	2,975,782	55,925	29,268	3,060,975
Prior year adjustment	(2,951,482)	-	-	(2,951,482)
At 1 September 2016 (as restated)	24,300	55,925	29,268	109,493
Additions	-	4,277	14,561	18,838
At 31 August 2017	24,300	60,202	43,829	128,331
DEPRECIATION				
At 1 September 2016 (as previously stated)	128,235	37,973	13,935	180,143
Prior year adjustment	(127,652)	-	-	(127,652)
At 1 September 2016 (as restated)	583	37,973	13,935	52,491
Charge for the year	194	15,170	14,282	29,646
At 31 August 2017	777	53,143	28,217	82,137
NET BOOK VALUE				
At 31 August 2017	23,523	7,059	15,612	46,194
At 31 August 2016 (as restated)	23,717	17,952	15,333	57,002

See note 18 in respect of the prior year adjustment to long term leasehold property.

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14. STOCKS

	2017 £	2016 £
Finished goods and goods for resale	<u>7,178</u>	<u>12,700</u>

15. DEBTORS

	2017 £	2016 £
VAT recoverable	1,657	5,111
Prepayments and accrued income	35,245	29,256
	<u>36,902</u>	<u>34,367</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Other taxation and social security	32,115	32,008
Other creditors	-	6,280
Accruals and deferred income	105,436	106,836
	<u>137,551</u>	<u>145,124</u>

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	37,776	-
Resources deferred during the year	31,425	36,211
Amounts released from previous years	(37,776)	(73,987)
Deferred income at 31 August 2017	<u>31,425</u>	<u>(37,776)</u>

Deferred income relates to Universal infant Free School Meal and Trip income received which relate to the 17/18 year.

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17. FINANCIAL INSTRUMENTS

	2017	2016
	£	£
Financial assets measured at fair value through income and expenditure	298,728	311,739
Financial assets measured at amortised cost	1,655	5,109
	<u>300,383</u>	<u>316,848</u>
Financial liabilities measured at amortised cost	<u>(765,115)</u>	<u>(842,288)</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. PRIOR YEAR ADJUSTMENT

Due to clarifications in the Academies Accounts Direction 2016/17 regarding the treatment of church buildings, the Academy has de-recognised long leasehold property, previously recognised on the Balance Sheet.

As a result, a rental charge equal to the depreciation amount which would have been charged had the building remained on the Balance Sheet, has been accounted for as an expense and a donation in the Statement of Financial Activities.

Improvements to the property are now expensed.

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19. STATEMENT OF FUNDS

	Brought forward As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
DESIGNATED FUNDS						
Designated funds	40,000	-	-	20,000	-	60,000
GENERAL FUNDS						
General Funds	36,243	74,649	(69,202)	(20,000)	-	21,690
Nursery	11,986	114,890	(107,933)	-	-	18,943
	48,229	189,539	(177,135)	(20,000)	-	40,633
Total Unrestricted funds	88,229	189,539	(177,135)	-	-	100,633
RESTRICTED FUNDS						
General Annual Grant (GAG)	92,602	1,028,027	(959,931)	(82,781)	-	77,917
Rates	-	5,550	(5,550)	-	-	-
Planned pupil growth	-	42,093	(42,093)	-	-	-
Rent	-	56,324	(56,324)	-	-	-
Pupil premium	12,540	87,638	(100,859)	16,028	-	15,347
UIFSM	-	44,793	(44,793)	-	-	-
High needs	-	31,071	(92,297)	61,226	-	-
Reception baseline	-	153	(153)	-	-	-
PE grant	7,310	9,135	(16,445)	-	-	-
School trips	-	29,668	(29,668)	-	-	-
Literacy network	-	6,280	(6,280)	-	-	-
Travel grant	-	1,000	(1,000)	-	-	-
Restricted donations	-	10,505	(6,206)	(4,299)	-	-
Other restricted	-	15,087	(15,087)	-	-	-
Pension reserve	(804,000)	-	(92,000)	-	163,000	(733,000)
	(691,548)	1,367,324	(1,468,686)	(9,826)	163,000	(639,736)

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19. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Assets transferred on conversion	23,717	-	(194)	-	-	23,523
Devolved formula capital grant	22,924	7,372	(8,074)	-	-	22,222
Capital expenditure from GAG	1,358	-	(2,730)	5,527	-	4,155
Assets transferred from Diocese of Exeter	7,937	-	(7,937)	-	-	-
Assets donated by Torbay Council	3,341	-	(3,335)	-	-	6
Condition Improvement Fund	7,316	-	(4,083)	-	-	3,233
Assets donated by PTA	3,410	-	(3,293)	4,299	-	4,416
	<u>70,003</u>	<u>7,372</u>	<u>(29,646)</u>	<u>9,826</u>	<u>-</u>	<u>57,555</u>
Total restricted funds	<u>(621,545)</u>	<u>1,374,696</u>	<u>(1,498,332)</u>	<u>-</u>	<u>163,000</u>	<u>(582,181)</u>
Total of funds	<u>(533,316)</u>	<u>1,564,235</u>	<u>(1,675,467)</u>	<u>-</u>	<u>163,000</u>	<u>(481,548)</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
DESIGNATED FUNDS						
Designated funds	-	-	-	40,000	-	40,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
GENERAL FUNDS						
General Funds	72,772	66,114	(62,644)	(40,000)	-	36,242
Nursery	-	117,650	(105,663)	-	-	11,987
	<u>72,772</u>	<u>183,764</u>	<u>(168,307)</u>	<u>(40,000)</u>	<u>-</u>	<u>48,229</u>
Total Unrestricted funds	<u>72,772</u>	<u>183,764</u>	<u>(168,307)</u>	<u>-</u>	<u>-</u>	<u>88,229</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	113,193	1,001,276	(1,028,062)	6,195	-	92,602
Rates	-	7,610	(7,610)	-	-	-
Planned pupil growth	-	42,092	(42,092)	-	-	-
Rent	-	55,438	(55,438)	-	-	-
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>1,306,556</u>	<u>(1,394,888)</u>	<u>-</u>	<u>(359,000)</u>	<u>(691,548)</u>

RESTRICTED FIXED ASSET FUNDS

Transferred on conversion	23,952	-	(235)	-	-	23,717
Devolved formula capital grant	13,692	14,302	(5,070)	-	-	22,924
Capital expenditure from GAG	2,468	-	(1,110)	-	-	1,358
Assets transferred from EDEN	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>84,457</u>	<u>14,302</u>	<u>(28,756)</u>	<u>-</u>	<u>-</u>	<u>70,003</u>
Total restricted funds	<u>(159,759)</u>	<u>1,320,858</u>	<u>(1,423,644)</u>	<u>-</u>	<u>(359,000)</u>	<u>(621,545)</u>
Total of funds	<u>(86,987)</u>	<u>1,504,622</u>	<u>(1,591,951)</u>	<u>-</u>	<u>(359,000)</u>	<u>(533,316)</u>

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 continue to redesign the Year 5 and Year 6 classrooms and to cover the forecast deficit for 17/18.

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 ESFA which is to be used for the

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. STATEMENT OF FUNDS (continued)

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 ESFA 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 ESFA 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 23.

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 ESFA 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/ESFA Capital grants - Grants from the ESFA for capital related expenditure. At the year end £11,361 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 2017.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	46,194	46,194
Current assets	100,633	230,815	11,361	342,809
Creditors due within one year	-	(137,551)	-	(137,551)
Pension scheme liability	-	(733,000)	-	(733,000)
	<u>100,633</u>	<u>(639,736)</u>	<u>57,555</u>	<u>(481,548)</u>

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016 £	2016 £	2016 £	2016 £
Tangible fixed assets	-	-	57,003	57,003
Current assets	198,267	147,538	13,000	358,805
Creditors due within one year	(110,038)	(35,086)	-	(145,124)
Provisions for liabilities and charges	-	(804,000)	-	(804,000)
	<u>88,229</u>	<u>(691,548)</u>	<u>70,003</u>	<u>(533,316)</u>

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

	2017 £	As restated 2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(111,232)	(87,096)
Adjustment for:		
Depreciation charges	29,646	28,522
Dividends, interest and rents from investments	(163)	(1,044)
Decrease in stocks	5,522	-
(Increase)/decrease in debtors	(2,535)	5,562
(Decrease)/increase in creditors	(7,573)	35,637
Capital grants from DfE and other capital income	(7,373)	(14,302)
Defined benefit pension scheme cost less contributions payable	75,000	35,000
Defined benefit pension scheme finance cost	17,000	15,000
Net cash (used in)/provided by operating activities	<u>(1,708)</u>	<u>17,279</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	As restated 2016 £
Cash at bank and in hand	258,250	271,260
Notice deposits	40,479	40,479
	<u>298,729</u>	<u>311,739</u>

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23. 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 2016.

Contributions amounting to £16,748 were payable to the schemes at 31 August 2017 (2016: 15,395) 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

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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £79,649 (2016: £73,664).

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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23. 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 2017 was £71,000 (2016: £66,000), of which employer's contributions totalled £53,000 (2016: £48,000) and employees' contributions totalled £18,000 (2016: £18,000). The agreed contribution rates for future years are 15.8% for employers and will range between 5.5% and 12.5% 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:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Expected return on scheme assets at 31 August	3.60 %	3.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	1.50 %	1.80 %

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

	2017	2016
Retiring today		
Males	23.4	22.9
Females	25.5	26.2
Retiring in 20 years		
Males	25.7	25.2
Females	27.9	28.6

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	400,000	299,000
Bonds/Gilts	38,000	13,000
Property	59,000	50,000
Cash	16,000	9,000
Infrastructure/Alternative assets	63,000	16,000
Target return portfolio	100,000	95,900
	<u>676,000</u>	<u>482,900</u>

The actual return on scheme assets was £64,000 (2016: £58,000).

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

	2017 £	2016 £
Current service cost	(128,000)	(83,000)
Interest income	12,000	17,000
Interest cost	(29,000)	(32,000)
	<u>(145,000)</u>	<u>(98,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	1,313,000	782,000
Current service cost	128,000	83,000
Interest cost	29,000	32,000
Employee contributions	18,000	18,000
Actuarial (gains)/losses	(59,000)	400,000
Benefits paid	(20,000)	(2,000)
	<u>1,409,000</u>	<u>1,313,000</u>

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23. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	509,000	387,000
Return on plan assets (excluding net interest on the net defined pension liability)	12,000	17,000
Actuarial losses	104,000	41,000
Employer contributions	53,000	48,000
Employee contributions	18,000	18,000
Benefits paid	(20,000)	(2,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	676,000	509,000
	<hr/> <hr/>	<hr/> <hr/>

24. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	24,683	20,164
Between 1 and 5 years	18,396	25,917
	<hr/>	<hr/>
Total	43,079	46,081
	<hr/> <hr/>	<hr/> <hr/>

25. 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.

26. 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

27. 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 own 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 £2,825 (2016: £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.

28. AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in managing Literacy Network funds from local schools. In the year ended 31 August 2017 the Academy trust received £6,280 and expensed £6,763 from the fund.