

**Company Registration No. 08130502 (England and Wales)**

**TEDDINGTON SCHOOL**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

# **TEDDINGTON SCHOOL**

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## **TEDDINGTON SCHOOL**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

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#### **Members**

Trevor Huggins (Resigned 14 September 2019)  
Helen Lockey (Appointed 1 September 2018)  
Ann Noble (Appointed 7 January 2019)  
Richard Spencer (Appointed 1 September 2018)

#### **Trustees**

Anne Davison  
Daryl Greenwood  
Katie Wade (Appointed 20 September 2018)  
Juliet Hartridge (Chair of Governors)  
C Ainley (Appointed 1 September 2018 and resigned 13 September 2019)  
Catherine Balfour-Roberts (Appointed 1 September 2018 and resigned 14 September 2019)  
David Hobbs (Resigned 18 September 2018)  
Trevor Huggins (Resigned 14 September 2019)  
Barnaby Mollett (Resigned 20 January 2019)  
Andrew Oliva-Hauxwell (Appointed 1 September 2018 and resigned 14 September 2019)  
Sarah Tate (Resigned 14 September 2019)  
Marie Wylde (Appointed 29 January 2019 and resigned 14 September 2019)

#### **Senior management team**

Kathy Pacey, Head Teacher  
Karen Barham, Deputy Head Teacher  
Katherine Corrigan, Assistant Head Teacher  
Kirk Campbell, Assistant Head Teacher  
Paul McGrath, Assistant Head Teacher  
Nicola Green, Assistant Head Teacher  
Alison McGrandles, Assistant Head Teacher  
Chris Daniels, Business Manager

#### **Company secretary**

Mrs Katherine Sanders

#### **Company registration number**

08130502 (England and Wales)

#### **Independent auditor**

UHY Hacker Young  
Quadrant House  
4 Thomas More Square  
London  
E1W 1YW

## **TEDDINGTON SCHOOL**

### **TRUSTEES' REPORT**

#### **FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

In preparation for joining the Bourne Education Trust the board was reconstituted as the Teddington School Local Governance Committee (LGC) on 14th September 2019. The Trustee Board and Board of Members will be formally dissolved when the Teddington School SAT final financial returns have been completed (estimated to be at the end of 2019) and the legacy company dissolved. The constitution of the LGC is as follows: 4 parent governors, 4 independent governors and the Headteacher. Associate governors may be appointed for specific skills and experience with a twelve-month term of office and to support succession planning strategy to key roles as vacancies arise.

#### **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 Teddington School are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### **Members' liability**

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

##### **Trustees' indemnities**

In accordance with widespread Academy Trust practice, the Academy Trust has purchased cover to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. This has been arranged with effect from 1st September 2018 with Zurich Insurance plc.

## **TEDDINGTON SCHOOL**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2019**

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##### Method of recruitment and appointment or election of trustees

During the year 2018-2019, the board of the Academy Trust comprised the Executive Headteacher, the Chair of Trustees and independent trustees.

During 2018-2019, the Academy Trust confirmed its decision to join the Bourne Education Trust (BET). BET consulted on a new model of local governance after consideration of the DfE's advice on the constitution of governing bodies. Following the DfE's key recommendations the Trust will be moving towards Local Governing Committees (LGCs) in order to recognise the importance of LGCs as committees of the board, the recommendation for smaller but more effective governing bodies outlined in the Governance Handbook and to reflect the increasing centralisation of responsibilities outlined in the Academies Financial Handbook.

Teddington School confirmed its decision to reconstitute as the Teddington School Local Governance Committee ("LGC") on 14th September 2019. The Trustee Board and Board of Members will be formally dissolved when the Teddington School SAT final financial returns have been completed (estimated to be at the end of 2019) and the legacy company dissolved. The constitution of the LGC is as follows: 4 parent governors, 4 independent governors and the Headteacher. Associate governors may be appointed for specific skills and experience with a twelve-month term of office and to support succession planning strategy to key roles as vacancies arise.

The Chair and Vice Chair of the board are nominated and reappointed annually. The remaining governors comprise the headteacher, parent governors and other appointed governors. Parent governors are normally elected by parents of students registered at the school and the Governing Body makes arrangements to notify parents of a vacancy and oversees a secret ballot where the number of nominees exceeds the number of vacancies. The LGC does not have staff governors but has a Staff Forum to allow direct engagement between governors and staff to enable improved contribution towards the strategic aims of the school. Other governors are appointed after discussions with local community groups and businesses dependent on the person specification required. Volunteers are interviewed and appointed by a panel of existing governors and the Chair.

##### Policies and procedures adopted for the induction and training of trustees

All new governors participate in a formal and documented Induction Programme, which will be tailored to their existing experience and identifies and specific training needs in order to carry out their role effectively. Training for governors is provided by the Richmond LA Governor Support initiative. The Clerk to Governors maintains a record of relevant courses and training undertaken.

Senior management posts are normally advertised both internally and externally unless there are clear reasons for trust posts to be advertised internally only because of the benefits accrued by so doing. Candidates are interviewed and appointed by an appropriately convened panel.

## **TEDDINGTON SCHOOL**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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#### Organisational structure

The Trustees of the Academy Trust board fulfil a strategic role. They monitor the performance of the school against key performance indicators and appropriate schemes of delegation. Intervention is driven by performance against the key performance indicators. There are three members of whom only one is also a trustee and no members are trust employees.

During 2018-2019, the management structure of Teddington School underwent significant change as the school embraced the changes required to improve its Ofsted status and meet the requirements of the Financial Notice to Improve. The senior leadership team initially comprised one Headteacher, two Deputy Headteachers, four Assistant Headteachers and one Director of Finance and Administration. This has changed over time to one Headteacher, one Deputy Headteachers, four Assistant Headteachers and one Business Manager. The aim of the management structure is to devolve responsibility, improve accountability and encourage involvement in decision-making at all levels.

The senior leadership team implements the policies and annual development plan agreed by the governors and report back to the governors termly on the progress made towards fulfilling them. At an operational level the team provides strong leadership and management for the school community, in particular organising and developing the teaching staff, learning environment and students' learning. The Headteacher and Director of Finance are responsible for the authorisation of spending within agreed budgets and the appointment of staff, other than specific senior staff appointments for which the Governing Body is responsible. Some spending control is devolved to members of the senior leadership team and appointed budget holders.

The middle leadership teams consist of all curriculum and pastoral leaders. They are responsible for the day-to-day implementation of the school development plan, the delivery of the curriculum, exam preparation and performance and ensuring the well-being of students.

## **TEDDINGTON SCHOOL**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2019**

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##### Arrangements for setting pay and remuneration of key management personnel

The Governing Body's Pay Committee is responsible for implementing the Academy's Pay Policy in order to manage the remuneration of staff in a non-discriminatory, responsible and transparent way.

The salary range for all staff paid on the leadership spine is determined by reference to the provisions of the STPCD and includes consideration of any broader responsibilities that attach to the role.

##### **Headteacher:**

The Individual School Range (ISR) for the Headteacher will also be determined by reference to the school group size and the appropriate positioning of the pay range of any Deputy or Assistant Headteacher at the school, as specified in the School Teachers' Pay and Conditions Document.

The Governing Body will only re-determine the Headteacher's ISR in the circumstances specified in the School Teachers' Pay and Conditions Document.

##### **Deputy Headteachers and Assistant Headteachers:**

The 5 point salary range for a Deputy Headteacher and Assistant Headteacher shall be determined by reference to the STPCD, taking into account the appropriate positioning of the pay range of the Headteacher and any other member of the leadership group at the school.

##### **Determining pay progression of the leadership group:**

The Headteacher, Deputy Headteacher and Assistant Headteachers must demonstrate sustained high quality of performance, with particular regard to leadership, management and pupil progress at the school and will be subject to an annual appraisal at which performance against objectives will be reviewed before any performance points will be awarded.

Biennial pay progression within the range for this post is not automatic. The Headteacher will recommend progression of members of the leadership group to the Pay Committee, which will make the progression determination. Where a member of the leadership group, or the school, feels that there has been significant and permanent change to his/her leadership role, such that the salary should be reviewed, then there should be a formal job re-evaluation for this purpose.

## **TEDDINGTON SCHOOL**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	-
Full-time equivalent employee number	-

##### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

##### *Percentage of pay bill spent on facility time*

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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#### Related parties and other connected charities and organisations

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are declared as interests and conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. There were no related party transactions within the year.

#### **Objectives and activities**

##### Objects and aims

Teddington School's objective is specifically restricted to the following: to advance for the public benefit, education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an Academy Trust offering a broad and balanced curriculum within a comprehensive setting.



## **TEDDINGTON SCHOOL**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2019**

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##### Objectives, strategies and activities

The Academy Trust set itself the following specific objectives for the year in order to bring about development in key areas of its provision:

1. Ensure that starting point and circumstance are no barrier to achievement so all students can achieve highly
2. Ensure teaching caters for the individual learners that are taught
3. Continue to develop and grow the Sixth Form provision with a particular focus on the experience Year 11s have this year

##### Public benefit

The Governors confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commissioner'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 London Borough of Richmond upon Thames and the surrounding area. 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.

The school carries out a range of activities to support children's learning and experience beyond our own school, including:

- Arts Specialist Outreach work, including art projects for primary school groups, gifted and talented arts provision for other secondary school students;
- Maths Hub
- Cross phase music activities;
- Active membership of the Hampton Collaborative, working with other local private and state secondary schools
- Work with other schools on professional development

##### **Strategic report**

###### **Achievements and performance**

Ofsted graded the school as requires improvement in January 2018. The key areas identified were around teaching and learning and disadvantaged pupils progress. Over the course of the year, clear actions were taken to secure a stable start in September. The school is fully staffed and a new Headteacher has been appointed. The school was issued with a financial notice to improve in July 2018 but has made significant strides during 2018-2019 to rectify its financial weaknesses. The school now expects to be back in surplus by the end of 2019-2020. To support with school improvement, the school enlisted consultancy support from the Bourne Education Trust (BET) and during 2018-2019 confirmed its decision to join BET.

## **TEDDINGTON SCHOOL**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2019**

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##### Key performance indicators

In Summer 2018 the progress 8 measure was 0 indicating that pupils made expected progress. The results were broadly in line with the previous year. In Summer 2019 the progress 8 measure was 0.48 which is a very strong performance and a significant improvement on last year. Attainment above FFT 20 in all areas and, as well as overall, there was positive progress 8 in each sub-group well above national averages. The A level results presented above average positive value added in 2019 as it did in 2018 although the trend is downward and is therefore an area of focus. Attainment is on the rise.

The school is moving forward rapidly in its development and there is an intense focus on teaching and learning and academic rigour. The biggest challenge facing the school this year was sustaining school improvement under considerable financial review and challenge. The school was successful in meeting both challenges.

Teddington School staff and governors are determined that the school will be "Good" in the next Ofsted inspection, expected in the academic year 2019-2020.

##### Going concern

The trustees recognise Teddington School still has some financial difficulty and had deficit in the accounts as at the end of 2019. The trustees approached the ESFA for support and have been supported by an ESFA interest free loan resulting in a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. It continues to adopt the going concern basis in preparing the financial statements

##### **Financial review**

Most of the Academy Trust's income is obtained from the Department for Education (DfE) in the form of recurring grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2019, the total expenditure of £7,936,868 (2018:£9,331,694) was more than the total of incoming resources of £7,297,579 (2018:£7,636,419) including the significant fixed assets acquired, as referred to below.

At 31 August 2019, the net book value of tangible fixed assets was £42,754,353 (2018: £43,598,993) and movements in tangible fixed assets are shown in more detail in the notes to the financial statements. These assets were exclusively those used for providing education and the associated support services to the students of the schools within the Academy Trust.

From the actuarial valuations for the year ended 31 August 2019, the pension deficit on the Academy Trust's proportion of the Surrey Local Government Pension Scheme had increased from the prior year and at 31 August 2019 stood at £1,201,000 (2018: £851,000).

The Trust received £93,837 in Devolved Formula Capital (2018: £26,641).

## **TEDDINGTON SCHOOL**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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#### Reserves policy

The trustees have agreed a Reserves Policy for the Academy Trust, which will be reviewed annually. The review encompasses the nature of income and expenditure streams and the need to match income with commitments.

The trustees have determined that the appropriate level of free reserves needs to be reviewed in light of the current financial situation of the trust. The trust needs to work back towards having sufficient working capital reserves to cover delays between spending and receipt of grants and to provide a cushion to cover the financial risks facing the Trust such as reductions in minimum funding guarantees and reductions in Education Services Grant. The trust was materially in deficit in 2017-2018, remains in deficit in 2018-2019 and is supported by loan funding from the ESFA.

As at 31 August 2019, free reserves amounted to £30,501 (2018: £10,000) but it is anticipated that the trust's deficit recovery plan will have a significant impact on the trust financial performance in the next financial year and result in a surplus.

#### Investment policy

The Academy Trust's Educational current bank account is held with Lloyds. Interest earned on bank accounts and investments during the year amounted to £319 (31 August 2018: £460).

#### Principal risks and uncertainties

The major risks which the Academy Trust is exposed is the current financial state of the trust and its adverse Ofsted judgement. In addition to this the trust faces risks faced by many trusts and schools nationally such as the loss of key staff, shortfalls in funding which have not been anticipated, changes in funding formulas and a reduction in the school roll.

The principal Risk Management objective of the Academy Trust is to minimise all identified risks by frequent review and remedial actions where required. The trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to financial management and the capacity of the school to ensure that the required improvement is achieved.

The Trust is being supported by a local multi academy trust who are supporting the trust to ensure its educational and financial improvement. The Trust is improving its approach to risk which will identify the gaps the Trust faces in achieving its strategic aims.

#### **Fundraising**

Fundraising for the trust takes the following forms:

- Fundraising on behalf of the school through Parent Teacher Associations holding summer fairs and similar events
- Donations from parents
- Students and staff engaging in fundraising for external charities.

The Trust aims to meet the fundraising code of practice which is that any fundraising will be legal, open, honest and respectful. The trust will ensure protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate and ensure that all funds raised for a particular cause must be used for that particular cause. The trust has not received any fundraising complaints.

## **TEDDINGTON SCHOOL**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Plans for future periods**

Teddington School will continue striving to improve the levels of performance of the students attending its school as reflected in its mission statement and the school development plans. It aims to establish ways to benefit the wider community and provide direct access to school facilities, curricular materials and the expertise of staff. This is evidenced by our professional partnerships with other schools.

The school has worked with the Bourne Education Trust during 2018-2019 to add to its capacity to improve. It considered its future as a single academy trust during the year and applied to join Bourne Education Trust. It joined BET on 1 December 2019.

The Academy Trust operates a dual use agreement with the London Borough of Richmond Upon Thames Sports and Leisure Services department with respect to sharing the site's sports facilities and will continue to do so.

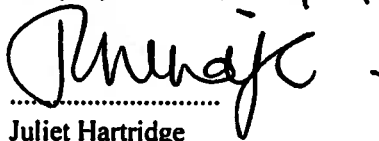
#### **Auditor**

The trust appointed UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW as its auditors in 2018 after a tender process.

The trustees at the date of approval of this trustees' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the Academy Trust's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees at the date of approval of this trustees' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the Academy Trust's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6/12/19 and signed on its behalf by:



.....  
Juliet Hartridge  
Chair of Governors

## **TEDDINGTON SCHOOL**

### **GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Scope of responsibility**

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

The board of trustees has delegated the day-to-day responsibility to 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 Teddington School and the Secretary of State for Education. She is also responsible for reporting 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.

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Anne Davison	8	8
Daryl Greenwood	8	8
Katie Wade (Appointed 20 September 2018)	6	7
Juliet Hartridge (Chair of Governors)	8	8
C Ainley (Appointed 1 September 2018 and resigned 13 September 2019)	8	8
Catherine Balfour-Roberts (Appointed 1 September 2018 and resigned 14 September 2019)	8	8
David Hobbs (Resigned 18 September 2018)	0	1
Trevor Huggins (Resigned 14 September 2019)	8	8
Barnaby Mollett (Resigned 20 January 2019)	2	4
Andrew Oliva-Hauxwell (Appointed 1 September 2018 and resigned 14 September 2019)	7	8
Sarah Tate (Resigned 14 September 2019)	7	7
Marie Wylde (Appointed 29 January 2019 and resigned 14 September 2019)	6	7

## **TEDDINGTON SCHOOL**

### **GOVERNANCE STATEMENT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trust Board reviews its vision, ethos and strategy through strategy days in collaboration with executive leaders. The Academy Trust is mindful of the rapidly changing landscape and direction of travel outlined by the DfE in creating sustainable and effective trusts. This resulted in an overarching long term strategy for the trust which was to join a multi academy trust in the acknowledgement that Teddington School's weaknesses would be best supported by joining a successful trust and Teddington's School's strengths could be shared more effectively. The trust's decision was to join Bourne Education Trust. This strategy was supported by DfE and is in line with its belief that larger trust's can achieve economies of scale not available to single academy trusts.

The Trust Board ensures that its risks are aligned with strategic priorities and improvement plans and that appropriate intervention strategies are in place through its Risk Register. The next step will be to ensure that Teddington School works effectively with Bourne Education Trust to align.

In May 2018, Teddington School commissioned an external review of governance. The report gathered evidence and reported back under the criteria used by Ofsted when evaluating leadership and management including governance. The trust implemented the recommendations of that report. It works more effectively with leaders to develop and communicate the vision, ethos and strategic direction of the school through the School Development Plan and has held the school to account by ensuring the key measure is FFT20. It is more effective in discharging its core strategic functions and achieved this by suspending committees to enable the FGB/Board to focus on the key strategic objectives and the challenges presented by the Ofsted Report and FNtl. New trustees and members have been appointed with the appropriate skills to provide the required level of challenge and support. An external review of safeguarding was carried out in November 2018 and found safeguarding to be very effective

Trustees have worked on transparency and accountability and ensuring leaders engage with stakeholders. The Chair of Trustees prepares regular newsletters for stakeholders. The school prepared a report outlining the decision to carry out an internal appointment of substantive headteacher. The trustees have received a Pay Review document before approving 18-19 pay reviews. The SLT have held a variety of sessions for parents particular to engage with them on the development of the curriculum. Group and 1:1 meetings are held with key stakeholders.

Trustees provide a balance of challenge and support to leaders' understanding of the strengths of the school and the areas requiring improvement at the school. There is a reporting structure in place that has streamlined updates to trustees on the work of the leadership team and the Bourne Education Trust. A calendar of focused trustee visits is in place ensuring that trustees understand the school and the key improvement priorities. The Chair meets regularly with the Headteacher and BET team. There is a revised SEF and leaders regularly cross reference progress against the Ofsted framework.

Trustees have ensured that the school's finances are properly managed by appointing new trustees through Academy Ambassadors with the appropriate skills to scrutinise the school's finance with support from leaders from Bourne Education Trust. The Headteacher, with BET support, has reviewed the curriculum structure for 18-19 and for 19-20. A PPG review took place in the Summer Term 2018 and an SEN review in Autumn 2018. The Leadership structure for 19-20 has been reviewed; an interim review of support staff has taken place.

The Trust holds an annual meeting for governors, members and senior staff of the trust to be kept up to date with developments and the strategic direction of the trust, which took place on 14 September 2019.

## **TEDDINGTON SCHOOL**

### **GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Review of value for money**

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. As accounting officer she 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Retendering for audit and cleaning services
- Reinvestment in photocopying equipment
- Reviewing its curriculum plan to work towards the recommended teacher contact ratio of 0.78
- Reviewing its support staff structure to support the needs of the school
- Continuing to work with local schools to have a shared sixth form provision

The needs and progress of the school is kept under regular review by the Board. The school's performance is measured against these terms and they assess all main aspects of each school. Between them they cover:

- Overall standard
- The quality of teaching
- The quality of learning
- Staffing
- Ethos
- Finance
- Safeguarding & Health and safety

The school appointed the Bourne Education Trust with effect from September 2018 according to a service level agreement, to support the Headteacher and Board in ensuring the performance of the school.

## **TEDDINGTON SCHOOL**

### **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Financial governance and oversight**

The Board of the Teddington School has overall responsibility and ultimate decision making responsibility however there are written schemes of delegation tailored to a school's state of development, and financial policies and procedures to ensure that decisions can be made efficiently.

The Board receives detailed reports from the school's leadership. Trustees are welcomed within the school and play a very active role allowing them to make accurate judgements on information received. Budget holders and/or the senior leadership team review expenditure regularly and work with the Bourne Education Trust staff supporting the school to set future budgets based on a detailed review of past costs, changes in curriculum requirements and strategies in the school improvement plan. The school needs to improve its reserves to ensure the school remains a 'going concern'. This work has significantly improved the schools financial situation with a surplus now expected in 2019-2020 and significant improvements in cashflow. During 2018-2019 internal audit investigations were carried out by Bourne Education Trust. The recommendations implemented have ensured much greater compliance with financial policies. The Trust continues to work to ensure that all trustees have the appropriate skills so that there is the appropriate level of challenge.

#### **Procurement**

**Contracts and services:** These are regularly appraised and renegotiated when appropriate to ensure value for money. The school gains the required number of quotes for any purchase. In exceptional circumstances when this is not possible the reason is recorded. The costs and benefits of each option is assessed before making a decision to ensure the right option for the longer term with no supplier being chosen entirely on price.

**Governance:** Through Academy Ambassadors the school has recruited the additional Trustees with the experience to offer robust challenge to the Trust in these areas and to expand finance & audit skills in particular. The trust board now has trustees with the requisite skills.

**Income generation:** The school has worked with the Parent Teachers Association to hold events and generate income. The dual use agreement with the London Borough of Richmond Upon Thames Sports and Leisure Services department with respect to sharing the site's sports facilities means that sports lettings income is not possible but the school has raised some lettings income through use of its sixth form centre.

#### **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 on-going process designed to identify and prioritise the risks to the achievement of the Trust's 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 Teddington School for the year ended 31 August 2019 and up to the date of approval of the trustees' annual report and financial statements.



## **TEDDINGTON SCHOOL**

### **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which Teddington School 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 now a formal on-going process for identifying, evaluating and managing Teddington School's significant risks, which have improved towards the end 31 August 2019 and up to the date of approval of the trustees' annual report and financial statements. This process is regularly reviewed by the board of trustees resulting in an agreement to change the style of reporting risk to a board assurance framework approach.

#### **The risk and control framework**

Teddington School'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;
- monthly returns to the ESFA as part of the obligations of the loan and the Financial Notice to Improve received by the trust
- setting targets to measure financial and other performance through agreed KPIs;
- clearly defined purchasing (asset purchase or capital investment) guidelines, delegation of authority and segregation of duties; and
- identification and management of risks by the board through the risk register.

The board of trustees has considered the need for a specific internal audit function and has decided for the 18-19 financial year that the programme of internal scrutiny will be conducted by Bourne Education Trust who are suitably qualified and experienced in the level of scrutiny required and are able to draw on technical expertise as required. Given the FNTI the internal audit programme will focus on the leadership & management of finances as well as looking at financial controls.

#### **Review of effectiveness**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2019, this review has been informed by:

the work of trustees with the requisite financial skills, acting as a finance working party  
the work of the Trust Board;  
the work of the Bourne Education Trust via the school to school support contract;  
the work of the external auditor.

**TEDDINGTON SCHOOL**

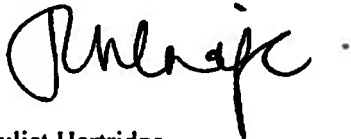
**GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Accounting Officer has been advised of the implications of their review of the system of internal control and plans to address weaknesses and ensure continuous improvement of the system are in place.

Approved by order of the board of trustees on 6/12/19..... and signed on its behalf by:



**Juliet Hartridge**  
**Chair of Governors**

**TEDDINGTON SCHOOL**

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2019**

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As accounting officer of Teddington School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Kathy Pacey  
Accounting Officer



**TEDDINGTON SCHOOL**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees (who are also the directors of Teddington School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

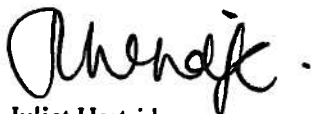
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 6/12/19 and signed on its behalf by:



Juliet Hartridge  
Chair of Governors

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEDDINGTON SCHOOL FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Opinion**

We have audited the accounts of Teddington School for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

### **Basis for opinion**

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

### **Emphasis of matter - Going Concern**

In forming our opinion on the accounts, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the accounts concerning going concern. Subsequent to year end, on 1 December 2019, the company's only school was transferred to Bourne Education Trust (BET). The net assets of the Company will be transferred at their book value to BET and the company will then be dormant and will no longer be a going concern and is expected to be wound up in the next financial year.

### **Conclusions relating to going concern**

Except for the matter discussed in the Emphasis of Matter paragraph 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust'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 accounts are authorised for issue.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEDDINGTON SCHOOL  
(CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Other information**

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

**Opinions 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 including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEDDINGTON SCHOOL  
(CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust'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 charitable company, or have no realistic alternative but to do so.

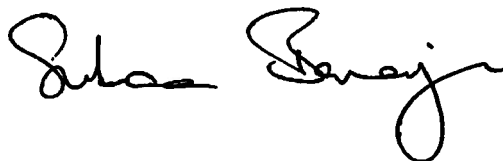
**Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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



**Subarna Banerjee (Senior Statutory Auditor)  
for and on behalf of UHY Hacker Young**

9/12/19

**Chartered Accountants  
Statutory Auditor**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO TEDDINGTON SCHOOL AND THE EDUCATION & SKILLS  
FUNDING AGENCY  
FOR THE YEAR ENDED 31 AUGUST 2019**

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In accordance with the terms of our engagement letter dated 14 May 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Teddington School during the period 1 September 2018 to 31 August 2019 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 Teddington School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Teddington School and 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 Teddington School and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Teddington School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Teddington School's funding agreement with the Secretary of State for Education dated 1 September 2018 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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



**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO TEDDINGTON SCHOOL AND THE EDUCATION & SKILLS  
FUNDING AGENCY (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The work undertaken to draw to our conclusion includes:

- Review and corroboration of the most recent Financial Management and Governance Evaluation
- Evaluation of the general control environment
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education
- Review of the declaration of interests to ensure completeness
- Review of minutes for evidence of declaration of interest
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement
- Formal representation have been obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety.

**Conclusion**

In the course of our work, it was noted that a balanced budget was not submitted to the ESFA.

Other than the above, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

**Reporting Accountant**  
UHY Hacker Young

Dated: 9/12/19

**TEDDINGTON SCHOOL**

**STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	10,191	-	93,837	104,028	96,155
Charitable activities:						
- Funding for educational operations	4	362,853	6,834,616	-	7,197,469	7,269,743
Other trading activities	5	42,486	-	-	42,486	270,061
Investments	6	319	-	-	319	460
<b>Total</b>		<b>415,849</b>	<b>6,834,616</b>	<b>93,837</b>	<b>7,344,302</b>	<b>7,636,419</b>
<b>Expenditure on:</b>						
Raising funds	7	-	-	-	-	226,520
Charitable activities:						
- Educational operations	8	335,993	6,756,235	891,363	7,983,591	9,105,174
<b>Total</b>	<b>7</b>	<b>335,993</b>	<b>6,756,235</b>	<b>891,363</b>	<b>7,983,591</b>	<b>9,331,694</b>
<b>Net income/(expenditure)</b>		<b>79,856</b>	<b>78,381</b>	<b>(797,526)</b>	<b>(639,289)</b>	<b>(1,695,275)</b>
Transfers between funds	17	(59,355)	59,355	-	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(148,000)	-	(148,000)	717,000
<b>Net movement in funds</b>		<b>20,501</b>	<b>(10,264)</b>	<b>(797,526)</b>	<b>(787,289)</b>	<b>(978,275)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		10,000	(1,343,371)	43,598,993	42,265,622	43,243,897
Total funds carried forward		30,501	(1,353,635)	42,801,467	41,478,333	42,265,622

**TEDDINGTON SCHOOL**

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>Comparative year information</b>		<b>Unrestricted</b>	<b>Restricted funds:</b>		<b>Total</b>
<b>Year ended 31 August 2018</b>	<b>Notes</b>	<b>Funds</b>	<b>General</b>	<b>Fixed asset</b>	<b>2018</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from:</b>					
Donations and capital grants	3	69,514	-	26,641	96,155
Charitable activities:					
- Funding for educational operations	4	-	7,269,743	-	7,269,743
Other trading activities	5	270,061	-	-	270,061
Investments	6	460	-	-	460
<b>Total</b>		<u>340,035</u>	<u>7,269,743</u>	<u>26,641</u>	<u>7,636,419</u>
<b>Expenditure on:</b>					
Raising funds	7	226,520	-	-	226,520
Charitable activities:					
- Educational operations	8	-	8,229,421	875,753	9,105,174
<b>Total</b>	7	<u>226,520</u>	<u>8,229,421</u>	<u>875,753</u>	<u>9,331,694</u>
<b>Net income/(expenditure)</b>		113,515	(959,678)	(849,112)	(1,695,275)
Transfers between funds	17	(193,544)	250,307	(56,763)	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	717,000	-	717,000
<b>Net movement in funds</b>		(80,029)	7,629	(905,875)	(978,275)
<b>Reconciliation of funds</b>					
Total funds brought forward		90,029	(1,351,000)	44,504,868	43,243,897
Total funds carried forward		<u>10,000</u>	<u>(1,343,371)</u>	<u>43,598,993</u>	<u>42,265,622</u>

**TEDDINGTON SCHOOL**

**BALANCE SHEET**

**AS AT 31 AUGUST 2019**

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12	42,754,353		43,598,993	
<b>Current assets</b>					
Debtors	13	243,243		284,533	
Cash at bank and in hand		463,571		178,693	
		<u>706,814</u>		<u>463,226</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	<u>(461,834)</u>		<u>(625,597)</u>	
<b>Net current assets/(liabilities)</b>		244,980		(162,371)	
<b>Total assets less current liabilities</b>		<u>42,999,333</u>		<u>43,436,622</u>	
Creditors: amounts falling due after more than one year	15	<u>(320,000)</u>		<u>(320,000)</u>	
<b>Net assets before defined benefit pension scheme liability</b>		42,679,333		43,116,622	
Defined benefit pension scheme liability	19	<u>(1,201,000)</u>		<u>(851,000)</u>	
<b>Total net assets</b>		<u>41,478,333</u>		<u>42,265,622</u>	
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds		42,801,467		43,598,993	
- Restricted income funds		(152,635)		(492,371)	
- Pension reserve		<u>(1,201,000)</u>		<u>(851,000)</u>	
<b>Total restricted funds</b>		41,447,832		42,255,622	
<b>Unrestricted income funds</b>	17	30,501		10,000	
<b>Total funds</b>		<u>41,478,333</u>		<u>42,265,622</u>	

**TEDDINGTON SCHOOL**

**BALANCE SHEET (CONTINUED)**

**AS AT 31 AUGUST 2019**

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The accounts on pages 24 to 49 were approved by the trustees and authorised for issue on 6/12/19  
and are signed on their behalf by:



Juliet Hartridge  
Chair of Governors

Company Number 08130502

**TEDDINGTON SCHOOL****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 AUGUST 2019**

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	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by/(used in) operating activities	20		237,445		(450,767)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		319		460	
Capital grants from DfE Group		47,114		26,641	
<b>Net cash provided by investing activities</b>			47,433		27,101
<b>Cash flows from financing activities</b>					
Long term bank loan		-		320,000	
<b>Net cash (used in)/provided by financing activities</b>			-		320,000
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>			284,878		(103,666)
Cash and cash equivalents at beginning of the year			178,693		282,359
<b>Cash and cash equivalents at end of the year</b>			<u>463,571</u>		<u>178,693</u>

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# **TEDDINGTON SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1 Accounting policies**

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

##### **1.1 Basis of preparation**

The accounts 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Teddington School meets the definition of a public benefit entity under FRS 102.

##### **1.2 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 charitable company 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.

On 1 December 2019 the Company transferred its only school to Bourne Education Trust. The Company will then be dormant and no longer be a going concern and is expected to be wound up in the next financial year. All assets and liabilities were transferred at their book values. The transfer was approved by the Education and Skills Funding Agency.

##### **1.3 Income**

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

##### **Grants**

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

# TEDDINGTON SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.



# TEDDINGTON SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

(Continued)

##### Expenditure on raising funds

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

##### Charitable activities

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

#### 1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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 each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 years straight line
Plant and Machinery	10 years straight line
Computer Equipment	4 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.

#### 1.6 Liabilities

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

#### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

# **TEDDINGTON SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **1 Accounting policies**

**(Continued)**

#### **1.8 Financial instruments**

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### **1.9 Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **1.10 Pensions benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

## **TEDDINGTON SCHOOL**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1 Accounting policies**

**(Continued)**

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2019. 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.

For 2018-19 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

##### **(1) The "McCloud/Sargeant judgement"**

This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

The impact of McCloud/Sargeant has been to increase the constructive obligation at 31 August 2019 by 4% of annualised pensionable pay over the accounting period ending 31 August 2019. This is reflected as a past service cost, within staff costs, and detailed in note 19, of £68,000.

##### **(2) Guaranteed Minimum Pension (GMP)**

GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

##### **(3) Discount rates**

There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

## **TEDDINGTON SCHOOL**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1 Accounting policies**

**(Continued)**

##### **(4) Mortality assumptions**

Details of the changes in mortality assumptions are shown in note 19. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

#### **1.11 Fund Accounting**

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

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

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

#### **2 Critical accounting estimates and areas of judgement**

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

##### **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.

## TEDDINGTON SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

#### 2 Critical accounting estimates and areas of judgement

(Continued)

##### Pension Liability

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2019. 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.

##### Depreciation

The trustees estimate the useful economic lives and residual values of Buildings, Building Improvements, Computer Equipment, Furniture and Fittings and Motor Vehicles in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the profit and loss account and the balance sheet.

The trustees have reviewed the carrying values of the Trust's Buildings, Building Improvements and Furniture and Equipment.

##### Critical areas of judgement

The trustees do not consider that they have made any critical judgements in the preparation of the financial statements.

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	93,837	93,837	26,641
Other donations	10,191	-	10,191	69,514
	<u>10,191</u>	<u>93,837</u>	<u>104,028</u>	<u>96,155</u>

**TEDDINGTON SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

**4 Funding for the academy trust's educational operations**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	6,436,709	6,436,709	6,401,735
Other DfE group grants	-	190,285	190,285	252,934
	<u>-</u>	<u>6,626,994</u>	<u>6,626,994</u>	<u>6,654,669</u>
<b>Other government grants</b>				
Local authority grants	-	207,622	207,622	150,999
	<u>-</u>	<u>207,622</u>	<u>207,622</u>	<u>150,999</u>
<b>Other funding</b>				
Other incoming resources	362,853	-	362,853	464,075
	<u>362,853</u>	<u>-</u>	<u>362,853</u>	<u>464,075</u>
<b>Total funding</b>	<u>362,853</u>	<u>6,834,616</u>	<u>7,197,469</u>	<u>7,269,743</u>

**5 Other trading activities**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Hire of Facilities	10,975	-	10,975	270,061
Other income	31,511	-	31,511	-
	<u>42,486</u>	<u>-</u>	<u>42,486</u>	<u>270,061</u>

**6 Investment income**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Other investment income	319	-	319	460
	<u>319</u>	<u>-</u>	<u>319</u>	<u>460</u>

**TEDDINGTON SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**7 Expenditure**

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2019	2018
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	-	-	-	-	226,520
Academy's educational operations					
- Direct costs	4,506,060	-	523,679	5,029,739	5,500,212
- Allocated support costs	1,023,769	1,455,751	474,332	2,953,852	3,604,962
	<u>5,529,829</u>	<u>1,455,751</u>	<u>998,011</u>	<u>7,983,591</u>	<u>9,331,694</u>

**Net income/(expenditure) for the year includes:**

	2019	2018
	£	£
Fees payable to auditor for audit services	-	-
Operating lease rentals	100	-
Depreciation of tangible fixed assets	844,640	875,753
Net interest on defined benefit pension liability	21,000	33,000
	<u>21,100</u>	<u>33,000</u>

**8 Charitable activities**

	Unrestricted	Restricted	Total	Total
	funds	funds	2019	2018
	£	£	£	£
<b>Direct costs</b>				
Educational operations	101,593	4,881,423	4,983,016	5,500,212
<b>Support costs</b>				
Educational operations	234,400	2,719,452	2,953,852	3,604,962
	<u>335,993</u>	<u>7,600,875</u>	<u>7,936,868</u>	<u>9,105,174</u>

	2019	2018
	£	£
<b>Analysis of support costs</b>		
Support staff costs	1,023,769	1,427,121
Depreciation	844,640	875,753
Premises costs	611,111	883,156
Other support costs	417,965	418,932
Governance costs	56,367	-
	<u>2,953,852</u>	<u>3,604,962</u>

**TEDDINGTON SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**9 Staff**

**Staff costs**

Staff costs during the year were:

	2019	2018
	£	£
Wages and salaries	4,000,764	4,762,452
Social security costs	425,913	439,387
Pension costs	635,644	905,791
	<u>5,062,321</u>	<u>6,107,630</u>
Amounts paid to employees	5,062,321	6,107,630
Agency staff costs	241,741	382,032
Staff restructuring costs	44,767	73,022
	<u>5,348,829</u>	<u>6,562,684</u>
Amounts paid to staff	5,348,829	6,562,684
	<u>5,348,829</u>	<u>6,562,684</u>
Total staff expenditure	<u>5,348,829</u>	<u>6,562,684</u>
 Staff restructuring costs comprise:		
Severance payments	<u>44,767</u>	<u>73,022</u>

**Non statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £19,578 (2018: £73,022).

**Staff numbers**

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

	2019	2018
	Number	Number
Teachers	81	82
Administration and support	28	49
Management	8	10
	<u>117</u>	<u>141</u>



**TEDDINGTON SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**9 Staff** **(Continued)**

**Higher paid staff**

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

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
60,000 - 69,999	1	3
70,000 - 79,999	2	3
120,000- 129,999	-	1
	<u>          </u>	<u>          </u>

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £39,261(2018: £37,977).

**10 Trustees' remuneration and expenses**

No Trustee remuneration occurred in the year ending 31 August 2019.

**11 Trustees and officers insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £30,000,000 on any one claim and the cost for the year ended 31 August 2019 was £40,162.14 (2018: £37,166.42). The cost of this insurance is included in the total insurance cost.

**TEDDINGTON SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

**12 Tangible fixed assets**

	<b>Land and buildings £</b>	<b>Plant and Machinery £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 September 2018 and 31 August 2019	47,848,156	1,012,893	38,570	48,899,619
<b>Depreciation</b>				
At 1 September 2018	4,415,374	868,965	16,287	5,300,626
Charge for the year	752,258	88,525	3,857	844,640
At 31 August 2019	5,167,632	957,490	20,144	6,145,266
<b>Net book value</b>				
At 31 August 2019	42,680,524	55,403	18,426	42,754,353
At 31 August 2018	43,432,782	143,928	22,283	43,598,993

**13 Debtors**

	<b>2019 £</b>	<b>2018 £</b>
Trade debtors	90,015	47,993
VAT recoverable	52,577	86,747
Prepayments and accrued income	100,651	149,793
	<u>243,243</u>	<u>284,533</u>

**14 Creditors: amounts falling due within one year**

	<b>2019 £</b>	<b>2018 £</b>
Trade creditors	103,388	192,448
Other taxation and social security	98,132	113,871
Other creditors	112,527	115,038
Accruals and deferred income	147,787	204,240
	<u>461,834</u>	<u>625,597</u>

**15 Creditors: amounts falling due after more than one year**

	<b>2019 £</b>	<b>2018 £</b>
Government loans	320,000	320,000

**TEDDINGTON SCHOOL****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	(Continued)	
	2019	2018
<b>15 Creditors: amounts falling due after more than one year</b>		
<b>Analysis of loans</b>		
Wholly repayable within five years	320,000	320,000
	<u>320,000</u>	<u>320,000</u>
Amounts included above	<u>320,000</u>	<u>320,000</u>
<b>Loan maturity</b>		
Due in more than one year but not more than two years	100,000	-
Due in more than two years but not more than five years	220,000	300,000
Due in more than five years	-	20,000
	<u>320,000</u>	<u>320,000</u>
	<u>320,000</u>	<u>320,000</u>
<b>16 Deferred income</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	36,423	49,732
	<u>36,423</u>	<u>49,732</u>
Deferred income at 1 September 2018	49,732	32,919
Released from previous years	(49,732)	(32,919)
Resources deferred in the year	36,423	49,732
	<u>36,423</u>	<u>49,732</u>
<b>Deferred income at 31 August 2019</b>	<u>36,423</u>	<u>49,732</u>

**TEDDINGTON SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**17 Funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(492,371)	6,436,709	(6,097,670)	698	(152,634)
Other DfE / ESFA grants	-	190,285	(260,919)	5,361	(65,273)
Other government grants	-	207,622	(195,646)	53,296	65,272
Pension reserve	(851,000)	-	(202,000)	(148,000)	(1,201,000)
	<u>(1,343,371)</u>	<u>6,834,616</u>	<u>(6,756,235)</u>	<u>(88,645)</u>	<u>(1,353,635)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	43,598,993	-	(844,640)	-	42,754,353
DfE group capital grants	-	93,837	(46,723)	-	47,114
	<u>43,598,993</u>	<u>93,837</u>	<u>(891,363)</u>	<u>-</u>	<u>42,801,467</u>
<b>Total restricted funds</b>	<u>42,255,622</u>	<u>6,928,453</u>	<u>(7,647,598)</u>	<u>(88,645)</u>	<u>41,447,832</u>
<b>Unrestricted funds</b>					
General funds	10,000	415,849	(335,993)	(59,355)	30,501
<b>Total funds</b>	<u>42,265,622</u>	<u>7,344,302</u>	<u>(7,983,591)</u>	<u>(148,000)</u>	<u>41,478,333</u>

**TEDDINGTON SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

**17 Funds**

**(Continued)**

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

	<b>Balance at 1 September 2017 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2018 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	6,401,735	(7,144,413)	250,307	(492,371)
Other DfE / ESFA grants	-	252,934	(252,934)	-	-
Other government grants	-	150,999	(150,999)	-	-
Other restricted funds	-	464,075	(464,075)	-	-
Pension reserve	(1,351,000)	-	(217,000)	717,000	(851,000)
	<u>(1,351,000)</u>	<u>7,269,743</u>	<u>(8,229,421)</u>	<u>967,307</u>	<u>(1,343,371)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	44,474,746	-	-	-	44,474,746
DfE group capital grants	30,122	26,641	(875,753)	(56,763)	(875,753)
	<u>44,504,868</u>	<u>26,641</u>	<u>(875,753)</u>	<u>(56,763)</u>	<u>43,598,993</u>
<b>Total restricted funds</b>	<u><u>43,153,868</u></u>	<u><u>7,296,384</u></u>	<u><u>(9,105,174)</u></u>	<u><u>910,544</u></u>	<u><u>42,255,622</u></u>
<b>Unrestricted funds</b>					
General funds	90,029	340,035	(226,520)	(193,544)	10,000
	<u>90,029</u>	<u>340,035</u>	<u>(226,520)</u>	<u>(193,544)</u>	<u>10,000</u>
<b>Total funds</b>	<u><u>43,243,897</u></u>	<u><u>7,636,419</u></u>	<u><u>(9,331,694)</u></u>	<u><u>717,000</u></u>	<u><u>42,265,622</u></u>

**TEDDINGTON SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

**18 Analysis of net assets between funds**

	<b>Unrestricted Funds £</b>	<b>Restricted funds: General    Fixed asset £            £</b>		<b>Total Funds £</b>
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	42,754,353	42,754,353
Current assets	812,335	(199,358)	93,837	706,814
Creditors falling due within one year	(461,834)	-	-	(461,834)
Creditors falling due after one year	(320,000)	-	-	(320,000)
Defined benefit pension liability	-	(1,201,000)	-	(1,201,000)
<b>Total net assets</b>	<b>30,501</b>	<b>(1,400,358)</b>	<b>42,848,190</b>	<b>41,478,333</b>
Balance to allocate	-	46,723	(46,723)	-
Per balance sheet	30,501	(1,353,635)	42,801,467	41,478,333
	<b>Unrestricted Funds £</b>	<b>Restricted funds: General    Fixed asset £            £</b>		<b>Total Funds £</b>
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	43,598,993	43,598,993
Current assets	10,000	453,226	-	463,226
Creditors falling due within one year	-	(625,597)	-	(625,597)
Creditors falling due after one year	-	(320,000)	-	(320,000)
Defined benefit pension liability	-	(851,000)	-	(851,000)
<b>Total net assets</b>	<b>10,000</b>	<b>(1,343,371)</b>	<b>43,598,993</b>	<b>42,265,622</b>

## **TEDDINGTON SCHOOL**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **19 Pension and similar obligations**

The trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. The trust has identified the requirement for eligible non-teaching staff to belong to the LGPS. The trust enrolled eligible staff and backdated contributions to 1 September 2015, when the staff became eligible to enrol. The outstanding LGPS deficit at 31 August 2019 is £1,201,000 and this has been recognised as a provision in the year end balance sheet. Both the TPS and LGPS are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### **Teachers' Pension Scheme**

##### **Introduction**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

## TEDDINGTON SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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#### 19 Pension and similar obligations

(Continued)

##### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % 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.

Total contributions made	2019 £	2018 £
Employer's contributions	133,000	177,000
Employees' contributions	41,000	56,000
Total contributions	<u>174,000</u>	<u>233,000</u>



**TEDDINGTON SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**19 Pension and similar obligations (Continued)**

<b>Principal actuarial assumptions</b>	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.20	3.30
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.20	2.30

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	23.40	24.50
- Females	24.80	26.10
Retiring in 20 years		
- Males	25.10	26.80
- Females	26.70	28.50

Scheme liabilities would have been affected by changes in assumptions as follows:

<b>The academy trust's share of the assets in the scheme</b>	<b>2019</b>	<b>2018</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>
Equities	3,415,000	2,998,000
Bonds	574,000	453,000
Gilts	148,000	175,000
Cash	57,000	25,000
Property	253,000	153,000
Other assets	650,000	677,000
<b>Total market value of assets</b>	<b>5,097,000</b>	<b>4,481,000</b>

The actual return on scheme assets was £517,000 (2018: £287,000).

**TEDDINGTON SCHOOL****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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<b>19 Pension and similar obligations</b>	<b>(Continued)</b>	
<b>Amount recognised in the Statement of Financial Activities</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current service cost	246,000	361,000
Past service cost	68,000	-
Interest income	(120,000)	(107,000)
Interest cost	141,000	140,000
<b>Total operating charge</b>	<b>335,000</b>	<b>394,000</b>
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<b>Changes in the present value of defined benefit obligations</b>		<b>2019</b>
		<b>£</b>
At 1 September 2018		851,000
Current service cost		246,000
Interest cost		141,000
Employee contributions		41,000
Actuarial loss/(gain)		545,000
Benefits paid		(75,000)
Past service cost		68,000
<b>At 31 August 2019</b>		<b>1,817,000</b>
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<b>Changes in the fair value of the academy trust's share of scheme assets</b>		<b>2019</b>
		<b>£</b>
Interest income		120,000
Actuarial gain		397,000
Employer contributions		133,000
Employee contributions		41,000
Benefits paid		(75,000)
<b>At 31 August 2019</b>		<b>616,000</b>
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## TEDDINGTON SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

#### 20 Reconciliation of net expenditure to net cash flow from operating activities

	2019	2018
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(639,289)	(1,695,275)
Adjusted for:		
Capital grants from DfE and other capital income	(47,114)	(26,641)
Investment income receivable	(319)	(460)
Defined benefit pension costs less contributions payable	181,000	184,000
Defined benefit pension scheme finance cost	21,000	33,000
Depreciation of tangible fixed assets	844,640	875,753
Decrease in debtors	41,290	40,265
(Decrease)/increase in creditors	(163,763)	138,591
<b>Net cash provided by/(used in) operating activities</b>	<b>237,445</b>	<b>(450,767)</b>

#### 21 Related party transactions

No related party transactions took place in the period of account.

#### 22 Post balance sheet events

On 1 December 2019, the Company transferred all of its assets, liabilities and reserves and operations to Bourne Education Trust. The Company is no longer an active academy trust.

#### 23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £[insert amount as stated in memorandum and articles of association] for the debts and liabilities contracted before he or she ceases to be a member.

