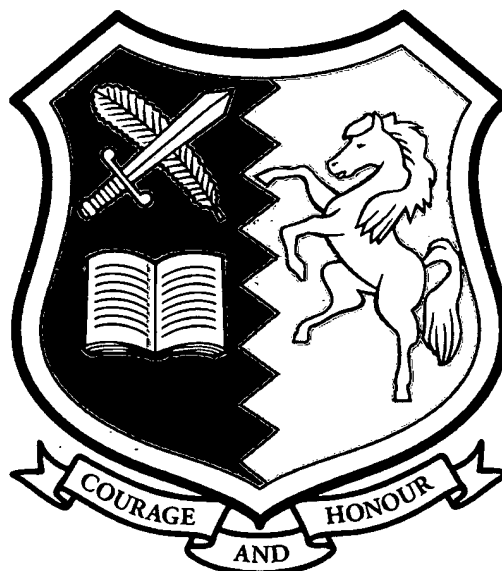


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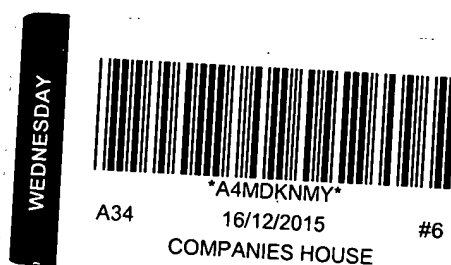


Tonbridge Grammar School

Annual Report and Financial Statements

Year ended 31 August 2015

Company Limited by Guarantee
Registration Number 07455728 (England and Wales)



**Tonbridge Grammar School
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Tonbridge Grammar School
Reference and administrative information

Governors

Mr R Hubble* (Chair of Governors to 27 April 2015)
 Mrs S Dyson (Chair of Governors from 27 April 2015)
 Ms L Acosta (Staff Governor appointed 2 October 2015)
 Mrs P Bullen
 Dr R Connell
 Mr M O Davis
 Mrs A Firth
 Ms M Gailey (Staff Governor)
 Ms N Hoban (Staff Governor resigned 31 August 2015)
 Mr S Holdcroft
 Mrs G Hughes* (Responsible Officer)
 Mrs R A Joyce* (Head Teacher and Accounting Officer)
 Mr M Joyner*
 Mr J Parody*
 Mr B Pennells*(Staff Governor)
 Mr S Seagrove*
 Ms A Senior
 Mrs S Thorpe (resigned 8 July 2015)
 Mr A Wessels
 Mrs J Wheeler

* members of the Finance and General Purposes
 Committee

Members

All Governors are members of the Academy Trust

Company Secretary

Mrs A Hook

Senior Management Team

Head Teacher	Mrs R A Joyce
Deputy Head Teacher	Mrs P Bullen
Assistant Head Teacher	Mr D Barker
Assistant Head Teacher	Ms J Bishop
Assistant Head Teacher	Mr C Fitt
Assistant Head Teacher	Mrs C Ghali
Assistant Head Teacher	Mr J Jardine-Viner
Assistant Head Teacher	Mr A Pitts

Company Name

Tonbridge Grammar School

Company Registration Number

07455728 (England and Wales)

Tonbridge Grammar School
Reference and administrative information

Principal and Registered Office

Deakin Leas
Tonbridge
Kent
TN9 2JR

Independent Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers

Lloyds
121 High Street
Tonbridge
Kent
TN9 1DB

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Tonbridge Grammar School
Governors' report Year to 31 August 2015

The Governors of Tonbridge Grammar School ('the Academy') present their annual report together with the financial statements and the auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Tonbridge Grammar School provides secondary education to students of secondary school age (girls from the age of 11 to 16 and both boys and girls post 16) who are drawn mainly from the locality including specifically Tonbridge and Malling, Tunbridge Wells and Sevenoaks Council areas. The Academy is selective within the meaning of section 6(4) of the Academies Act 2010. The planned capacity of the Academy is 1,260. There were 1,146 students on roll at the time of the School Census October 2015 (1,075 October 2014).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Academy Trust's Memorandum and Articles of Association are the primary governing documents of the Academy. The Trustees of Tonbridge Grammar School Academy are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Tonbridge Grammar School.

Details of the Governors who served during the year 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.

Governors' indemnities

The Governors have not given any third party indemnities.

Method of recruitment and appointment or election of Governors

In accordance with the Articles of Association, the Trustees of the charitable company are the Governors. They are appointed as follows:

- ◆ members may appoint up to nine Governors;
- ◆ minimum of two and up to seven Parent Governors elected by parents;
- ◆ up to three Staff Governors comprising two teachers and one member of the support staff elected by the relevant staff constituency (teachers and support respectively);
- ◆ the Head Teacher is an ex-officio Governor;
- ◆ up to three co-opted Governors;
- ◆ additional Governors may be appointed by the Secretary of State.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new Governors will depend on their existing experience. Newly appointed Governors complete the Governor Skills Audit on appointment to assist in planning their induction and to ensure how the Governing Body is best able to utilise their skills and experience. All newly appointed and elected Governors meet with the Head Teacher and members of the senior leadership of the Academy and are invited to sample the full range of sub-committees before deciding which sub-committee(s) they will serve on. New governors also have electronic access to a full range of school governance documentation held in a dedicated, password protected, Governor area. Additional Governor training is provided as required including educational, legal, safeguarding and financial matters. All Governors are provided with the information needed (including terms of reference, policy documentation, minutes, budgets etc.) to undertake their role as Governors. All this documentation is also held in the secure electronic Governor area for ease of reference. In addition to training in accordance with individual needs, the Academy arranges whole Governor training annually (including safeguarding training) and members of the Governing Body access local and national governor training provided by the Academy's legal support, accountants and through networks including the Local Authority, National Governors Association and FASNA. Three members of the Governing Body, including the Chair of Governors, are currently enrolled on the Chair of Governors Leadership Training Programme accredited by the National College of Teaching and Leadership.

Organisational structure

Upon conversion, the management structure that served the predecessor school well was adopted to enable continued improvement in the way the Academy is run. The structure consists of:

- ◆ the Governors;
- ◆ the Strategy Group (Senior Leadership Team of the Academy);
- ◆ the middle leadership team.

The management structure is designed to devolve responsibility to middle leaders in order to encourage and promote wider staff engagement in decision making and promote accountability at all levels.

The Board of Governors, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The Board meets at least six times a year and has three committees:

- ◆ Finance and General Purposes Committee
- ◆ Curriculum Committee
- ◆ Personnel Committee

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The Governors set the strategic vision of the Academy, agree Academy priorities and the annual Academy budget. The Governors are responsible for ensuring the Academy fulfils legal and statutory responsibilities and monitors the implementation of Academy priorities and financial planning.

The Strategy Group consists of the Head Teacher, Deputy Head Teacher and six Assistant Head Teachers. The Strategy Group controls the Academy at executive level and implements the Academy's strategic plans and policy. Each member of the Strategy Group has a clearly defined range of responsibilities to support the implementation of the Academy's strategic plans and policy monitoring and development. These key areas of responsibility are reviewed annually to ensure that areas of focus reflect and support the delivery of agreed Academy strategic priorities and implementation of the Academy development plans. The Head Teacher and Strategy Group are responsible for the authorisation of spending within agreed budgets and staff appointments below senior leadership level. The Deputy Head Teacher deputises for the Head Teacher in her absence. The Governors receive regular reports from the Strategy Group through the Committee structure.

Oversight of the implementation of the curriculum and the experience of students at each stage of their secondary education is delegated to middle leaders who are accountable for the standards of education, including outcomes, associated with their remit. They lead members of their team in realising this and quality assure the student experience.

Related Parties and other connected charities and organisations

The following related party transactions occurred in the year ended 31 August 2015 (further details can be found in note 28 to the financial statements):

Friends of Tonbridge Grammar School for Girls Limited was a limited company set up in 2001 to facilitate elements of a project designed to replace school buildings. One of the Friends' officers was a Governor of the Academy. The Friends was wound up during the year and the Academy received a donation of £10,893.

Mr J Parody is a partner of Calford Seaden LLP and is a Governor of the Academy. During the year, the Academy purchased services of £10,240 (2014: £23,980) from Calford Seaden LLP. At the balance sheet date, there was no balance outstanding.

During the year, the Academy paid £150 for maintenance assistance on normal commercial terms to Mr P Gailey who is a related party by virtue of the fact that his parent Mrs M Gailey is a Governor. At the balance sheet date, there was no balance outstanding.

Mrs S Thorpe, a Governor, was paid £390 for invigilating during the period. At the balance sheet date, there was no balance outstanding.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties and other connected charities and organisations (continued)

The Academy is the sole trustee of Fayerman Scholarships, a charity registered with the Charity Commission in England and Wales, registration number 307763. The Academy administers the charity and Fayerman Scholarships is therefore considered a connected charity under 8.3 of the Academies Accounts Direction 2014 to 2015. Its activities are the advancement of education of the public, including by the provision of scholarships and other financial assistance to pupils or former pupils of Tonbridge Grammar School. Its total assets at 31 August 2015 were £67,860 and its income for the year ended 31 August 2015 was £1,104. There were no liabilities and no expenditure.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Academy Trust's object is specifically restricted to the following:

- a) To advance for the public benefit education in the United Kingdom, in particular maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum;
- b) To promote for the benefit of the inhabitants of Tonbridge and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants.

In accordance with the Articles of Association the Academy Trust has adopted a 'Scheme of Governance' approved by the Secretary of State for Education.

In accordance with the Funding Agreement, Tonbridge Grammar School provides a broad and balanced curriculum offering an international focus for students. The Academy is at the heart of its community, promoting community cohesion and sharing facilities and resources with other schools and the wider community.

The Governors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

The Academy's main strategy is encompassed in its mission statement 'educating able students for life'.

Objectives, strategies and activities

The main objectives during the year were:

World class teaching and learning

The Academy continued to develop and implement a world class curriculum for students from Year 7 to Year 13 providing academic rigour and supporting the development of internationally minded, enquiring, knowledgeable and caring young people. To this end the Academy focused on the further implementation of the IB Middle Years Programme ("MYP") to students in Years 7, 8 and 9 with further refinement of processes and procedures linked to the introduction of MYP assessment as the agreed assessment framework for monitoring progress and reporting performance and attainment to parents of students in Years 7 - 9. The Academy continued to develop and deliver IGCSE courses at Key Stage 4 to ensure students are appropriately challenged and prepared for post 16 academic study. The Academy also reviewed its plans for GCSE revision in light of the introduction of the reformed GCSE in English and Mathematics for first examination in 2017. The Academy decided that from September 2015 all students from Year 10 will follow the reformed GCSE in English and Mathematics. The IB Diploma curriculum offer has been reviewed and further enhanced for September 2015 in response to identified need with careful financial planning to ensure the extensive curriculum offer for 2015/16 is properly planned and resourced.

The Academy also focused on ensuring that its aspiration for world class teaching and learning has been supported through clear and focused approaches to learning development priorities centred on authentic engagement, purposeful feedback and collaborative enquiry. These key themes were reflected in development planning undertaken by all subject teams. These key learning priorities were reflected in the Academy's professional development priorities, launched at a whole staff INSET at the start of the year and further developed through the Academy's extensive in house professional development programme. The Academy has invested in International Baccalaureate Diploma training for staff across a range of curriculum areas to support the delivery of the internationally prestigious and academically highly regarded IB Diploma curriculum.

The Academy continued to focus on maintaining and improving outstanding standards of attainment and achievement for students of the Academy. Tracking and monitoring systems to support sub group and individual student progress were further developed and embedded across all years. The identification and implementation of strategies to support the wider wellbeing of students across all years has continued as a priority.

Following very healthy recruitment to the International Baccalaureate Diploma Programme for September 2014, the Academy continued to focus on the key marketing strategies to support recruitment to the IBDP both through retention of existing, and recruitment of additional, students into the Sixth Form.

OBJECTIVES AND ACTIVITIES (continued)

Securing resources for world class teaching and learning

This academic year has seen a real focus on financial management and income generation to ensure the Academy has the resources (physical and financial) to ensure the World Class Teaching and Learning environment. In September 2014 the Academy launched its 'Play Your Part' capital fundraising campaign with parents, friends and potential benefactors of the Academy with the aim of raising additional funds to support the Academy's ambitious plans to build a new Sixth Form facility and enhance provision for Music through an extensive refurbishment programme to include the installation of specialist acoustic music rooms of various sizes to support group and individual music making. Through this successful campaign the Academy raised an additional £554,000. As a result of the grant income received for the project and the success of the 'Play Your Part' fundraising campaign the Academy has been able to realise its plans to build the new Sixth Form facility and complete the full scope of the Music refurbishment with additional enhancements for Art and modifications to the main cafeteria of the Academy to increase its seating capacity. The Academy has implemented the revised lettings policy and increased income from lettings in a manner that is consistent with the core purpose of the Academy and takes account of the wider community. Further to this the Governors have been planning for further income generation to ensure that the Academy continues to be in a position to offer a wide and enriching programme of learning opportunities for students despite the constraints of GAG funding. The Academy has continued to grow in pupil numbers in line with its five year projections with an additional form of entry to Year 7 (September 2014), a significant increase in the size of the Year 12 cohort (September 2014) and agreement by the Full Governing Body to offer a further additional form of entry to Year 7 (September 2015).

Supporting educational aspiration and attainment across the community

The Academy has continued to offer an extensive programme of community support and engagement. Staff at the Academy have worked with an identified family of schools to support them on their journey to good and outstanding, providing specialist subject support for students and teachers at other schools to enhance the quality of provision and strategies for teaching and learning. The Head Teacher has provided leadership and governance support to two local Pupil Referral Units working closely with the newly appointed Head Teacher to ensure the amalgamation of the two provisions to one was smooth and effective in supporting the students. The amalgamation was completed in April 2015. The Academy has been actively engaged as a strategic partner in the newly created Kaizen Teaching School Alliance with members of the Academy acting as strategic lead of the research and development and Initial Teacher Training strands of the Kaizen Alliance strategic plan. Two staff at the Academy have successfully gained accreditation as Specialist Leaders of Education within the Alliance. Community service and charitable fundraising remain key aspects of the Academy wider enrichment experience for students with all students in Years 11 – 13 undertaking service within the community.

OBJECTIVES AND ACTIVITIES (continued)

Public Benefit

The Academy aims to advance for the public benefit, education in the United Kingdom. In setting the objectives of the Academy and planning the associated activities, the Governors have given careful consideration to the Charity Commission's general guidance on Public Benefit.

STRATEGIC REPORT

Achievements and performance

were outstanding with attainment in many areas showing an improvement from the already outstanding outcomes of 2013 – 14. In IGCSE and GCSE examinations 100% of the cohort achieved 5 A* - C grades with 87.7% of entries achieving A* and A grades (the second year in a row when the percentage of A* and A entries exceeded 80%). 59.5% of those entries were at A* and the average point score was 587.10. 95% of students gained 5 or more A* - A grades and 47% were awarded 10 or more A* and A grades. IGCSE performance in the core subjects of English, Mathematics, Science and Languages were once again exceptional. In Mathematics all students (146) achieved A* - B grades with 94.5% awarded A* and A. In IGCSE English 93.8% of all grades were at A* and A with 76.7% of these grades at A*. Student achievement across IGCSE Sciences was excellent with 144 of the 146 strong cohort completing IGCSE in the three separate sciences. In Biology 94.4% of all grades achieved were A* and A, and in Chemistry and Physics 88.9% of all grades achieved were A* and A. Languages results were also exceptional where once again all students studying IGCSE Spanish (69) achieved A* and A grades with 96.2% of grades in French at A* and A also. Overall of the 193 entries for Languages (including German and Latin) 88% of grades were awarded at A*/A.

This was the second year when all Year 13 students at the Academy followed the IB Diploma Programme. The results were once again excellent with students achieving an average point score per student for the Diploma of 35.8. 64% of all students achieved 35 points or more with 37% gaining 38 points or more. Our former Head Student achieved the maximum 45 diploma points alongside only 66 nationally and 211 internationally achieving this result.

Out of the 116 TGS students who made university applications last year 73.2% were placed at their first choice university with 71% placed at Russell Group/Oxbridge or Medical institutions. All 9 students holding Oxbridge offers were successful in gaining their places (6 Cambridge and 3 Oxford). 4 out of 5 students holding offers for Medicine were successful in gaining their places as were the two students holding offers for Dentistry.

The Academy achieved national recognition for its achievements and was awarded the Sunday Times State Secondary School of the Year and IB School of the Year in November 2014.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

The Academy continues to ensure that a wide range of extra curricular enrichment opportunities are available to students to support and enrich the curriculum and ensure that students have opportunities to support joined up learning, real world application and an international outlook. In addition to a wide range of clubs and activities 130 students in Year 10 followed the Bronze Duke of Edinburgh programme and students in Year 7 and 9 participated in summer camps.

2014/15 was a very successful sporting year for the Academy. In Netball the Under 14 team were runners up in the County finals and the Under 16 team were the Kent Champions. Both the Under 14 and Under 16 Netball teams were national finalists. The Under 14 Rugby team were regional semi-finalists and the Under 12 footballers won through to the regional round. 199 students participated in the Academy's annual gym display in March and the elite gymnast team represented the South East region in the national gymnastics finals and also represented the South East region in the national finals of the Acrobatic and Tumbling competition.

Students were also successful in a range of musical events and activities. In December the Motet and Cantores Choirs performed in the Barnardo's Carol Concert at St Paul's. Students across year groups once again benefited from the Academy's ongoing partnership with the LCO working as mentors to students from other schools and benefiting from musical support from members of the LCO. The Motet Choir were finalists in the Barnardo's Choir of the Year competition and semi-finalists in the BBC Choir of the Year competition which was televised from Nottingham. The TGS Dance Company achieved significant success in its first year winning through to the national finals of the Schools Dance competition. Students in Year 7 and 8 performed Shakespeare and Year 10 and 12 students worked together on a production of 'The Good Doctor'.

The Academy celebrated its 110th birthday in January at a party for alumni where Victoria Hislop (author and former student) was guest of honour. On 4 July TGS celebrated the inaugural foundation day with music, drama and dance performances in front of an audience of alumni, present students and staff and new students joining TGS in September 2015.

The Play Your Part capital fundraising campaign featured throughout the year with the whole school undertaking a week of sports activities in March along with a current and former students hockey match at Sevenoaks Hockey Club.

In November the Academy commemorated the 100 year anniversary of the start of the Great War in a themed cross-curricular Remembrance Day and in April the Academy undertook a mock General Election.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

The Academy continues to grow its links with the wider community locally and internationally. Sixth Form students are involved in a range of community projects and in Year 11 every student undertook a volunteer placement as part of their Year 11 wider curriculum programme. In addition to a range of study tours students were able to strengthen their cultural and linguistic understanding through immersion and exchange experiences in France and Spain. Students from the Academy supported a range of community action and charitable projects and raised £8,234 in total for various charities during the year.

Key performance indicators

The Academy's Key Performance Indicators are:

- ◆ Examination results. The Academy tracks individual and cohort pupil progress against predictions based on prior attainment. As set out above, examination results in 2014/15 exceeded targets.
- ◆ Pupil attendance. The Academy recognises the link between high attendance and success rates. It tracks whole school and individual pupil attendance and awards house points to those forms with the highest pupil attendance. Attendance for Year 7 to 12 pupils in 2014/15 was 94.3% (2014: 93.6%) with non-attendance predominantly due to illness and other authorised absences. The Academy monitors individually all pupils with a termly attendance rate below 90%.
- ◆ Following the move to all IB provision in the Sixth Form in 2012, increasing entry at year 12 has been a focus for the Governing Body. The Academy has worked hard to retain existing students and welcome potential students with individual reviews and breakfast meetings. This resulted in 161 entering Year 12 in September 2014 as a result of 74% retention of year 11 into year 12 and 60% of external applicants successful in their Sixth Form application. Figures for retention and recruitment into the Sixth Form September 2015 were on target with 68% Year 11 students remaining into the Sixth Form and 50 new joiners.
- ◆ The Academy monitors students eligible for Pupil Premium to reduce any potential deficit in attainment between them and their peers. In the public examinations in 2015, there was positive value added to all Year 11 students including the students eligible for Pupil Premium; all year 11 students including those eligible for Pupil Premium achieved 5A*-C including English and Mathematics; and the average grade achieved by all Pupil Premium students was almost an A.
- ◆ In order to accommodate increasing student numbers, the Academy may need to set deficit budgets. The Academy has a policy that budgeted revenue deficits should be no more than the difference between the funding for lagged and actual student numbers, reflecting the fact that Department for Education funding is calculated each year on a lagged basis of student numbers at the start of the preceding school year.

STRATEGIC REPORT (continued)

Key performance indicators (continued)

- ◆ The Academy monitors total staff costs as a percentage of GAG income and teaching staff costs as a percentage of total staff costs. These were 84.5% and 76.9% respectively in 2014/15 (Budget 86.4% and 76.4%). (2014: 80.2% and 76.4% respectively, Budget 79.8% and 77.8%).

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the principal accounting policies.

Financial review

Financial report for the year

During the year ended 31 August 2015, total expenditure of £5,904,000 (2014: £6,014,000) was more than covered by grant funding from the EFA together with other incoming resources of £7,732,000 (2014: £6,692,000). The excess of income over expenditure for the year was £1,828,000 (2014: £678,000), of which £(171,000) deficit was in the Restricted general fund, £94,000 surplus in the Unrestricted fund and £1,905,000 surplus in the Restricted fixed asset fund. This is due to receipt of ACMF grants for building works and £2,559,000 was spent on building projects in the year.

At 31 August 2015 the net book value of fixed assets was £11,072,000 (2014: £8,776,000) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The total fund balances at 31 August 2015 amounted to £11,393,000 (2014: £9,558,000), comprising £532,000 (2014: £855,000) of general restricted funds, £620,000 (2014: £529,000) of unrestricted funds, a fixed asset fund of £11,196,000 (2014: £9,077,000) and a pension deficit of £(955,000) (2014: £(903,000)). The fixed asset fund comprises the net book value of fixed assets of £11,072,000 (2014: £8,776,000), unspent capital funding of £285,000 (2014: £528,000) offset by the balance remaining on a loan from Kent County Council of £161,000 (2014: £226,000).

The Governors take into account the sum carried forward for the year and the likelihood that central government financial support will reduce. Governors will keep the position under constant review to ensure that they have sufficient income to run the Academy on an efficient basis without affecting the quality of teaching and learning.

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy

The Governors receive monthly reports on the level of reserves and review reserve requirements annually as part of budget setting procedures and when there are any significant developments which might affect the required level of reserves. The review considers the risk and likelihood of unforeseen emergencies, day-to-day operational expenditure needs, the stability, security and concentration volatility of income streams, committed and designated expenditure, the need to cover cash flows and the ability to fund the pension liability from current and future income. A significant proportion of income is restricted; unspent restricted funds fall outside the definition of reserves but are taken into account as, where the ability exists to use these funds, the overall need for reserves is reduced.

At 31 August 2015, the Academy held reserves of £11,393,000. Of these, restricted fixed assets were £11,196,000. GAG restricted reserves and other restricted reserves were £237,000 and £295,000, respectively and unrestricted reserves were £620,000. The total of restricted general funds (excluding pension reserves of £(955,000)) plus unrestricted funds was £1,152,000 (2014: £1,384,000). The Governors recognise that the Academy holds significant reserves although these have been reduced in the last year as a result of increased pupil numbers and the effect of lagged funding; the level of reserves remains high in order to manage the funding of a continuing increase in student numbers.

Investment policy

Almost all investments held are cash deposits retained with a major UK clearing bank. Speculative investments are not permitted. The only exception to this are the investments held by Fayerman Scholarships, of which the Academy is the sole trustee. These are held in CCLA COIF Charities Investment Fund income units in order to generate an income stream to fund its charitable grant-making activities.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to academic performance, finance and child safeguarding. They have implemented a number of systems to assess risks the Academy may face and have developed a range of policies and procedures to mitigate those risks. Where significant financial risks still remain, they have ensured there is adequate insurance cover. The Academy has an effective system of internal financial controls. This is explained in more detail in the governance statement.

The Governors approach risk management with the aim to:

- ◆ Ensure the financial strength and reserves of the Academy are sufficient to withstand reasonable levels of unexpected expenditure.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- ◆ Ensure the Academy operates effective risk management systems that identify and mitigate all key risks.
- ◆ Develop and regularly monitor the effectiveness of a business continuity plan.
- ◆ Consider all aspects of insurance annually before renewal.

The Academy's main risks are:

- ◆ Loss of funding from falling student numbers;
- ◆ Loss of funding as a result of government spending cuts; and
- ◆ Child safeguarding failings.

The Academy has an active pupil recruitment strategy with a range of open events for both prospective Year 7 and Sixth Form students and parents. The Academy is in demand due to the high standard of education provision and outcomes and is currently significantly oversubscribed for first choice Year 7 applicants and has seen an increase in Year 12 applicants in recent years.

The Academy is aware of current government spending concerns and continually reviews its costs to ensure the budget is managed within the constraints of lagged funding. It also forecasts its income before the issue of annual funding statements in order to commence the budgeting process as far in advance as possible. It has adopted a strategic income generation plan to diversify sources of funding.

The Academy takes all aspects of its safeguarding responsibilities very seriously and fully complies with all Kent Children's Safeguarding Board procedures. An Assistant Head Teacher is the Academy's fully trained Designated Child Protection Coordinator (DCPC). Three assistant DCPC's support the AHT in his role and they are all fully DCPC trained. The Academy also has two members of staff with full e-safety training. Policy and procedure is revised annually as a matter of course and updated in the interim as required to ensure the Academy's policy and procedure is fully compliant. Staff are trained regularly on safeguarding issues and required to re-confirm annually their understanding of, and adherence to, the statutory guidance to all staff on 'Keeping Children Safe in Education'. The Academy's safeguarding processes and the work of the DCPC are monitored by a Safeguarding Governor appointed for this role.

Other risks managed by the Academy are as follows:

As the nature of the financial instruments dealt with by the Academy is relatively simple (bank balances, debtors, creditors and the Fayerman Trust investment units), the Governors consider the associated risk in this area to be low.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The risk resulting from the Academy's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that the annual budgets are drawn up to reflect the actuary's advice.

PLANS FOR FUTURE PERIODS

The Academy's plans for future periods focus on four key strategic areas:

Priorities relating to World Class Teaching and Learning include:

- Development of World Class Approaches to Learning focusing in the classroom on authentic engagement, purposeful feedback and collaborative enquiry and the development of conceptual mastery.
- Development of World Class approaches to Teaching in order to continue the roll out of the seven year Tonbridge Grammar School / IB curriculum.
- Quality assurance to secure and further improve standards across the Academy.

Strategies to support the above priorities are reflected in Academy team development plans with progress monitored through the previously embedded line management and self-evaluation structures.

Priorities relating to World Class Professional Development include:

- The creation of a career stage professional development programme to spot talent, support retention and offer 'authentic' professional development opportunities.
- Continued focus on professional development to support the seven year Tonbridge Grammar School / IB curriculum.
- Focus on strategies to support staff wellbeing, thereby aiding recruitment and retention.

Priorities relating to Supporting Learning beyond the Academy include:

- Continuing student engagement with the wider community through service opportunities.
- Supporting members of our family of schools on their journey to 'Good'.
- Supporting vulnerable learners through leadership and governance of local Pupil Referral Unit provision on their journey from Good to Outstanding.
- Active participation in the strategic leadership of the Kaizen Teaching School Alliance to benefit schools within the alliance and beyond.

Priorities relating to Securing Resources for World Class Future Learning include:

- Continuing focus on ensuring strong post 16 student recruitment including continued growth in student retention 7 – 11 into the Sixth Form.
- Focus to secure and grow income other than GAG including the development of the Strategic Income Generation Plan and completion of Year 1 objectives from this plan.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There were no funds held on behalf of others.

AUDITOR

In so far as the Governors are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Governors 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.

Governors' report, incorporating a strategic report, was approved by order of the board of Governors on 7 December 2015 and signed on its behalf by:



Mrs S Dyson
Chair of Governors

Date: 7 December 2015

Scope of responsibility

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

The board of Governors have delegated the day-to-day responsibility to the Head Teacher, 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 the Academy and the Secretary of State for Education. The Head Teacher is also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

Governance

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

Governor	Meetings attended	Out of a possible
Mr R Hubble (Chair of Governors to 27 April 2015))	3	7
Mrs S Dyson (Chair of Governors from 27 April 2015)	7	7
Mrs P Bullen	5	7
Dr R Connell	5	7
Mr M O Davis	6	7
Mrs A Firth	3	7
Ms M Gailey	7	7
Ms N Hoban (resigned 31 August 2015)	7	7
Mr S Holdcroft	5	7
Mrs G Hughes	7	7
Mrs R A Joyce (Head Teacher)	7	7
Mr M Joyner	7	7
Mr J Parody	4	7
Mr B Pennells	7	7
Mr S Seagrove	7	7
Ms A Senior	6	7
Mrs S Thorpe (resigned 8 July 2015)	3	6
Mr A Wessels	6	7
Mrs J Wheeler	6	7

On 27 April 2015, Mr R Hubble stepped down as Chair of Governors after many years' service to the Academy and the board of Governors is very grateful for his dedication and leadership over the period when Tonbridge Grammar School converted to academy status. The Governors subsequently elected Mrs S Dyson as Chair of Governors.

Governance (continued)

The Governors completed an internal review of their role and effectiveness and considered the structure of sub committees. The Governors have further considered their training needs – including training for the role of Chair, succession planning for Governors to ensure the appropriate mix of skills and introduced a code of conduct for Governors and an induction handbook to be launched in the next academic year. The sub committees have reviewed their terms of reference in light of their evaluation of the role and effectiveness of the Governing Body and to ensure compliance with EFA requirements reflected in the Academies Financial Handbook.

The Finance and General Purposes Committee is a sub-committee of the main board of Governors. Its purpose is to assist and support the Governing Body, ensuring sound oversight is exercised over the management of the Academy's finances and resources.

At the start of the year, Mr M Joyner stepped down from and Mr S Seagrove took up the Chair of the Finance and General Purposes Committee. Also at the start of the year, Mrs S Thorpe and Mr A Wessels stepped down from the Finance and General Purposes Committee in order to serve on other committees.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr R Hubble (Chair of Governors to 27 April 2015)	1	6
Mrs G Hughes (Responsible Officer)	6	6
Mrs R A Joyce (Head Teacher)	6	6
Mr M Joyner	5	6
Mr J Parody	5	6
Mr B Pennells.	4	6
Mr S Seagrove (Chair of Finance & General Purposes)	6	6

Review of Value for Money

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

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

- ♦ The Academy delivers excellent academic results as shown by its examination results. It prides itself that it has been able to offer the International Baccalaureate Diploma Programme to all post 16 students despite not receiving extra funding for this large programme.

Review of Value for Money (continued)

- ◆ As well as armed with excellent academic results, students are well prepared for life beyond school and the Academy considers that this is evidenced by its award of Sunday Times State Secondary School of the Year and IB School of the Year in November 2014.
- ◆ The Academy has delivered a wonderful new building for its Sixth Form and inspiring facilities for music in 2014/15 with the help of an ACMF grant and a successful private funding campaign.
- ◆ The Academy tendered its catering and audit provision during the year and considers that the new contracts for each of these provide enhanced service. It also changed suppliers for telephone line rental and calls, shredding, grounds maintenance and alarms servicing and negotiated improved rates with existing suppliers for waste collection and mobile phones.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy'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 at the Academy for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors;
- ◆ regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

The risk and control framework (continued)

- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties;
- ◆ identification and management of risks.

The board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed Mrs G Hughes, a Governor, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- ◆ Voluntary donations including development funds;
- ◆ Lettings.

On a regular basis, the reviewer reports to the board of Governors through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the board of Governors' financial responsibilities. As a result of the review of voluntary funds, responsibility for the reconciliation of development funds was transferred to the finance function.

Review of effectiveness

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

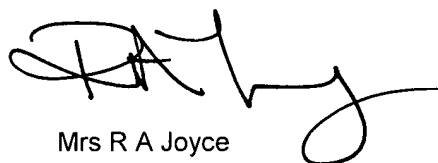
- ◆ the work of the responsible officer;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of their review of the system of internal control by the Finance and General Purposes Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of Governors on 7 December 2015 and signed on its behalf by:



Mrs S Dyson
Chair of Governors



Mrs R A Joyce
Accounting Officer

Approved on: 7 December 2015

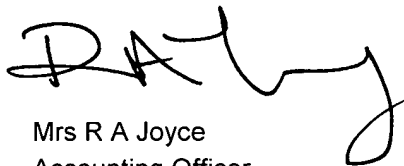
Tonbridge Grammar School

Statement on regularity, propriety and compliance 31 August 2015

As Accounting Officer of Tonbridge Grammar School, I have considered my responsibility to notify the Academy Trust board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust board of Governors 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 Governors and EFA.

A handwritten signature in black ink, appearing to read 'RA Joyce', with a stylized flourish at the end.

Mrs R A Joyce
Accounting Officer

Date: 7 December 2015

Tonbridge Grammar School
Statement of Governors' responsibilities 31 August 2015

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

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

The Governors are responsible for ensuring that in its conduct and operation the Academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Governors on 7 December 2015 and signed on its behalf by:



Mrs S Dyson
Chair of Governors

Independent auditor's report on the financial statements to the Members of Tonbridge Grammar School

We have audited the financial statements of Tonbridge Grammar School ("the charitable company") for the year ended 31 August 2015 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

Respective responsibilities of Governors and auditor

The Governors act as trustees for the charitable activities of Tonbridge Grammar School and are also the directors of the charitable company for the purpose of company law.

As explained more fully in the statement of Governors' responsibilities set out in the Governors' report, including the strategic report, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion

In our opinion:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Buzzacott LLP

Catherine Biscoe, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

11 December 2015

Independent reporting accountant's assurance report on regularity to Tonbridge Grammar School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 9 June 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tonbridge Grammar School during the period from 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Tonbridge Grammar School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Tonbridge Grammar School's funding agreement with the Secretary of State for Education dated 22 December 2010, the Deed of Variation dated 19 May 2015 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 from 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Tonbridge Grammar School
Independent reporting accountant's report 31 August 2015

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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

Buzzacott LLP

Buzzacott LLP
Reporting Accountant
130 Wood Street
London
EC2V 6DL

11 December 2015

Tonbridge Grammar School
Statement of financial activities for the year ended 31 August 2015
(including income and expenditure account and statement of total recognised gains and losses)

	Notes	Unrestricted general fund £'000	Restricted Funds		2015 Total funds £'000	2014 Total funds £'000
			General £'000	Fixed assets fund £'000		
Incoming resources						
Incoming resources from generated funds:						
. Voluntary income	2	11	748	638	1,397	629
. Activities for generating funds	3	45	-	-	45	57
. Investment income	4	7	2	-	9	3
Incoming resources from charitable activities:						
. Funding for the academy's educational operations	5	39	4,685	1,557	6,281	6,003
Total incoming resources		102	5,435	2,195	7,732	6,692
Resources expended						
Cost of generating funds:						
. Cost of generating voluntary income		-	634	-	634	464
Charitable activities:						
. Academy's educational operations	7	8	4,900	290	5,198	5,435
Governance costs	8	-	72	-	72	115
Total resources expended	6	8	5,606	290	5,904	6,014
Net incoming/(outgoing) resources before transfers		94	(171)	1,905	1,828	678
Gross transfers between funds	17	(3)	(211)	214	-	-
Net income (expenditure) for the year		91	(382)	2,119	1,828	678
Other recognised gains and losses						
Actuarial gains (losses) on defined benefit pension scheme	27	-	7	-	7	(74)
Net movement in funds		91	(375)	2,119	1,835	604
Reconciliation of funds						
Total fund balances brought forward at 1 September 2014		529	(48)	9,077	9,558	8,954
Total fund balances carried forward at 31 August 2015		620	(423)	11,196	11,393	9,558

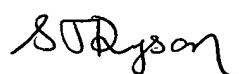
All of the Academy's activities derive from continuing operations during the above two financial periods.

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

Tonbridge Grammar School
Balance sheet as at 31 August 2015

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Tangible fixed assets	12	<u>11,072</u>		<u>8,776</u>	
			11,072		8,776
Current assets					
Debtors	13	194		165	
Investments	14	28		28	
Cash at bank and in hand		<u>1,934</u>		<u>2,004</u>	
		2,156		2,197	
Liabilities					
Creditors: amounts falling due within one year	15	<u>(785)</u>		<u>(351)</u>	
Net current assets			1,371		1,846
Total assets less current liabilities			12,443		10,622
Creditors: amounts falling due after more than one year	16		<u>(95)</u>		<u>(161)</u>
Net assets excluding pension liability			12,348		10,461
Defined benefit pension scheme liability	27		(955)		(903)
Net assets including pension scheme liability			11,393		9,558
Funds of the Academy					
Restricted funds					
Fixed assets fund	17		11,196		9,077
General fund	17		532		855
Pension reserve	17		<u>(955)</u>		<u>(903)</u>
			10,773		9,029
Unrestricted funds					
General fund	17		620		529
Total funds			11,393		9,558

The financial statements on pages 27 to 50 were approved by the Governors, and authorised for issue on 7 December 2015 and are signed on their behalf by:



Mrs S Dyson
Chair of Governors

Tonbridge Grammar School
Company Limited by Guarantee
Registration Number: 07455728 (England and Wales)

Tonbridge Grammar School
Cash flow statement for the year ended 31 August 2015

	Notes	2015 £	2014 £
Net cash inflow (outflow) from operating activities	21	352	(238)
Returns on investment and servicing of finance	22	7	-
Capital expenditure	23	(364)	775
Movement in current asset not regarded as liquid resources	24	-	28
(Decrease) increase in cash in the year		(5)	565
Reconciliation of net cash flow to movement in net funds:			
Net funds at 1 September 2014		1,806	1,241
Net funds at 31 August 2015	24	1,801	1,806

1 Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

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

♦ ***Grants receivable***

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

♦ ***Sponsorship income***

Sponsorship income provided to the Academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

♦ ***Donations***

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

1 Basis of preparation (continued)

Incoming resources (continued)

♦ ***Other income***

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

♦ ***Donated goods, facilities and services***

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

Resources expended

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

♦ ***Costs of generating funds***

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

♦ ***Charitable activities***

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

♦ ***Governance costs***

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £5,000 or more per item or which form part of a larger purchase or project costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

1 Basis of preparation (continued)

Tangible fixed assets (continued)

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

Freehold land is not depreciated	
Freehold buildings	2% straight line
Assets under construction	not depreciated
Computer equipment	33% straight line
Fixtures and fittings	20% straight line
Building refurbishments	10% straight line

A full year's charge for depreciation is charged in the year of acquisition.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Leased assets

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

Investments

Current asset investments are stated at market value.

1 Basis of preparation (continued)

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 part 11, chapter 3 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.

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 quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the Academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

1 Basis of preparation (continued)

Fund accounting

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

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 Education Funding Agency/Department for Education and other donors.

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Voluntary fund income	-	656	656	435
Other private donations	11	646	657	194
Donated fixed assets	-	84	84	-
	11	1,386	1,397	629

3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Hire of facilities	45	-	45	57

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Short term deposits and COIF charity investment fund	7	2	9	3

5 Funding for academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
DfE / EFA revenue grants				
· General annual grant (GAG)	-	4,635	4,635	4,797
· Capital grants	-	1,557	1,557	1,086
· Other DfE/EFA grants	-	48	48	84
	-	6,240	6,240	5,967
Other Government grants				
Local authority grants	-	2	2	-
	-	2	2	-
Other funds				
Other educational income	39	-	39	36
Total funding	39	6,242	6,281	6,003

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

6 Resources expended

		Non pay expenditure			
	Staff costs £'000	Premises £'000	Other costs £'000	2015 Total funds £'000	2014 Total funds £'000
Cost of generating funds					
. Cost of generating voluntary income	-	-	634	634	464
Charitable activities					
. Academy's educational operations	-	-	-	-	-
.. Direct costs	3,029	210	398	3,637	3,564
.. Allocated support costs	926	411	224	1,561	1,871
	<u>3,955</u>	<u>621</u>	<u>1,256</u>	<u>5,832</u>	<u>5,899</u>
Governance costs including allocated support costs	-	-	72	72	115
	<u>3,955</u>	<u>621</u>	<u>1,328</u>	<u>5,904</u>	<u>6,014</u>
Net income (expenditure) for the year includes:					
Operating leases				12	18
Fees payable to auditor					
. Statutory audit				11	7
. Other services				3	7

Included within resources expended are the following transactions:

	Total £
Gifts made by the trust	134

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

7 Charitable activities - academy's educational operations

	2015 Total funds £'000	2014 Total funds £'000
Direct costs		
Teaching and educational support staff costs	3,029	2,988
Depreciation	210	186
Technology costs	51	47
Educational supplies	162	138
Examination fees	122	130
Educational consultancy	7	9
Staff development	47	66
Other direct costs	9	-
	3,637	3,564
Allocated support costs		
Support staff costs	926	809
Depreciation	53	46
Technology costs	13	12
Recruitment and support	38	61
Maintenance of premises and equipment	130	538
Cleaning	90	91
Rent and rates	79	78
Energy costs	102	90
Insurance	59	39
Catering	5	7
Bank interest and charges	15	30
Other support costs	51	70
	1,561	1,871
Total direct and support costs	5,198	5,435

8 Governance costs

	2015 Total funds £'000	2014 Total funds £'000
Legal and professional fees	58	101
Auditor's remuneration:		
. Audit of financial statements	11	7
. Other non-audit costs	3	7
	72	115

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

9 Staff

(a) Staff costs

Staff costs during the year were:

	2015 Total funds £'000	2014 Total funds £'000
Wages and salaries	3,180	3,035
Social security costs	242	241
Operating costs of defined benefit pension schemes	503	444
	3,925	3,720
Supply staff costs	30	65
Staff restructuring costs	-	12
	3,955	3,797

(b) Staff severance payments

There are no non-statutory/non-contractual severance payments included in staff restructuring costs (2014: one payment of £10,150).

(c) Staff numbers

The average numbers of persons employed by the Academy during the year expressed as full time equivalents was as follows:

Charitable activities	2015 No.	2014 No.
Teachers	53	53
Administration and support	31	30
Management	8	8
	92	91

(d) Higher paid staff

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

	2015 No.	2014 No.
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1

Four of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for these staff amounted to £42,000 (2014: £34,000 for three employees).

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

10 Governors' remuneration and expenses

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

Mrs R A Joyce (Head Teacher and Governor)	
. Remuneration	£95,000-£100,000 (2014: £95,000-£100,000)
. Employer's pension contributions	£10,000-£15,000 (2014: £10,000-£15,000)
Mrs P Bullen (Governor)	
. Remuneration	£75,000-£80,000 (2014: £75,000-£80,000)
. Employer's pension contributions	£10,000-£15,000 (2014: £10,000-£15,000)
Ms N Hoban (Staff Governor)	
. Remuneration	£35,000-£40,000 (2014: £25,000-£30,000)
. Employer's pension contributions	£5,000-£10,000 (2014: £0-£5,000)
Mr B Pennells (Staff Governor)	
. Remuneration	£35,000-£40,000 (2014: £25,000-£30,000)
. Employer's pension contributions	£5,000-£10,000 (2014: £0-£5,000)
Mrs M Gailey (Staff Governor)	
. Remuneration	£20,000-£25,000 (2014: £10,000-£15,000)
. Employer's pension contributions	£0-£5,000 (2014: £0-£5,000)

During the year ended 31 August 2015, travel and subsistence expenses totalling £1,921 (2014: £1,548) were reimbursed to five Governors (2014: eight).

Other related party transactions involving the Governors are set out in note 28.

11 Governors' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,981 (2014: £1,753). The cost of this insurance is included in the total insurance cost.

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

12. Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Fixtures and fittings £'000	Assets under construction £'000	Total £'000
Cost/valuation					
At 1 September 2014	9,347	70	-	224	9,641
Additions	2,502	93	188	(224)	2,559
At 31 August 2015	11,849	163	188	-	12,200
Depreciation					
At 1 September 2014	834	31	-	-	865
Charge in year	208	36	19	-	263
At 31 August 2015	1,042	67	19	-	1,128
Net book value					
At 31 August 2015	10,807	96	169	-	11,072
At 31 August 2014	8,513	39	-	224	8,776

The trust's transactions relating to land and buildings included:

- ♦ The new building for the Sixth Form (the "IBarn") was completed in August 2015 and has been capitalised at a cost of £1,911,000. It will be depreciated over 50 years commencing from 2015/16, the first year of occupation.
- ♦ The refurbishment of the Art and Music areas was also completed in August 2015 at a cost of £591,000 and will be depreciated over 10 years commencing 2015/16.

13 Debtors

	2015 £'000	2014 £'000
Trade debtors	2	5
Prepayments and accrued income	121	44
VAT debtor	63	91
Other debtors	8	25
	194	165

14 Investments

	2015 £'000	2014 £'000
COIF Charities Investment Fund	28	28

The investments comprise 2,298 units in COIF Charities Investment Fund Income Units. They are held by Fayerman Scholarships which is a registered charity in England and Wales, registration number 307763.

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

14 Investments (continued)

The investments, together with cash at bank of £40,000, are consolidated in the Academy's accounts as the Academy is the sole trustee and administers the charity. Fayerman Scholarships is therefore considered a connected charity under 8.3 of the Academies Accounts Direction 2014 to 2015. Its activities are the advancement of education of the public, including by the provision of scholarships and other financial assistance to pupils or former pupils of Tonbridge Grammar School. Its total assets at 31 August 2015 were £68,000 and its income for the year ended 31 August 2015 was £1,000. There were no liabilities and no expenditure.

15 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	234	101
Government loans	66	65
Other creditors	14	13
Accruals and deferred income	471	172
	785	351
Deferred income		
Deferred income at 1 September 2014	144	217
Resources deferred in the year	212	144
Amounts released from previous years	(144)	(217)
Deferred income at 31 August 2015	212	144

At the balance sheet date the Academy was holding funds received in advance for EFA funding of National Non-Domestic Rates, funding for teacher consultancy in respect of 2015/16 and income received in the year for school trips which had not yet taken place.

16 Creditors: amounts falling due after more than one year

	2015 £'000	2014 £'000
Government loans	95	161
	95	161
Analysis of loans		
Wholly repayable within five years	161	226
Less: included in current liabilities	(66)	(65)
Amounts included above	95	161
Loan maturity		
Debt due in one year or less	66	65
In more than one year but not more than two years	67	66
In more than two years but not more than five years	28	95
	161	226

The Academy inherited a Kent County Council loan from its predecessor school on conversion. An interest rate of 0.5% above the Bank of England base rate is charged, and the loan is due to be fully repaid in 2018.

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

17 Funds

	Balance at 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2015 £'000
Restricted general funds					
. General annual grant (GAG)	493	4,635	(4,786)	(105)	237
. Other DfE/ EFA grants	22	48	(58)	-	12
. Other restricted funds	340	752	(703)	(106)	283
	855	5,435	(5,547)	(211)	532
. Pension reserve	(903)	-	(59)	7	(955)
	(48)	5,435	(5,606)	(204)	(423)
Restricted fixed assets funds					
. Capital expenditure from GAG and other sources	81	-	(24)	519	576
. DfE/EFA Capital grants	209	-	(30)	2,040	2,219
. Academy building transferred from Local Authority	8,485	-	(208)	-	8,277
. Capital grant fund (unspent balance)	528	2,195	(28)	(2,410)	285
. Loan fund	(226)	-	-	65	(161)
	9,077	2,195	(290)	214	11,196
Total restricted funds	9,029	7,630	(5,896)	10	10,773
Unrestricted funds					
. Unrestricted funds	529	102	(8)	(3)	620
Total unrestricted funds	529	102	(8)	(3)	620
Total funds	9,558	7,732	(5,904)	7	11,393

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

Restricted general funds

General annual grant (GAG)

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

Restricted fixed asset funds

The restricted fixed asset fund represents the net book value of fixed assets plus the unspent element of Capital funds, less the balance on a government capital loan used to fund new building work. When assets are purchased the fund is increased and depreciation charges reduce the fund.

Pension reserve

The pension reserve represents the Academy's share of the LGPS Pension Fund deficit.

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

17 Funds (continued)

Unrestricted funds

Unrestricted funds represent balances held at the period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

The trust is carrying a net surplus of £1,152,000 on restricted general funds (excluding pension reserve) plus unrestricted funds because the number of pupils on roll is rising and reserves are required to fund this growth as a result of funding being lagged.

Transfers of funds

£65,000 was transferred to the restricted fixed asset fund to meet the loan principal repayments (£55,000 from GAG and £10,000 from other restricted funds).

Computer equipment purchases of £61,000 were funded from GAG £49,000 and other restricted funds £12,000.

£88,000 was transferred from other restricted funds to the "Play Your Part" campaign to fund restricted fixed assets.

18 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total funds £'000
Tangible fixed assets	-	-	11,072	11,072
Current assets	620	927	609	2,156
Current liabilities	-	(395)	(390)	(785)
Non-current liabilities	-	-	(95)	(95)
Pension scheme liability	-	(955)	-	(955)
Total net assets	620	(423)	11,196	11,393

19 Capital commitments

	2015 £'000	2014 £'000
Contracted for, but not provided in the financial statements	21	2,636

At 31 August 2015, the Academy had contracted for music storage furniture of £20,879.

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

20 Financial commitments

Operating leases

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

	2015 £'000	2014 £'000
Other than land and buildings		
Expiring within one year	-	1
Expiring within two and five years inclusive	11	11
	11	12

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

	2015 £'000	2014 £'000
Net income	1,828	678
Depreciation (note 12)	263	232
Capital grants from DfE and other capital income	(2,195)	(1,086)
Investment income (note 4)	(9)	(3)
Financing costs	2	3
FRS 17 pension cost less contributions payable (note 27)	46	3
FRS 17 pension finance cost (note 27)	13	27
(Increase) in debtors	(29)	(115)
Increase in creditors	433	23
Net cash provided by (used in) operating activities	352	(238)

22 Returns on investments and servicing of finance

	2015 £	2014 £
Investment income	9	3
Financing costs	(2)	(3)
Net cash inflow from returns on investment and servicing of finance	7	-

23 Capital expenditure and financial investment

	2015 £	2014 £
Purchase of tangible fixed assets	(2,559)	(283)
Capital grants from DfE / EFA	2,195	1,086
Payments to acquire investments	-	(28)
Net cash (outflow) inflow from capital expenditure and financial investments	(364)	775

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

24 Analysis of changes in net funds

	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash in hand and at bank	2,004	(70)	-	1,934
Debt due within one year	(65)	65	(66)	(66)
Debt due after more than one year	(161)	-	66	(95)
Current asset investments	28	-	-	28
Net funds	1,806	(5)	-	1,801

25 Contingent liabilities

In accordance with the contract for the provision of catering services, the catering services provider has invested in catering facilities for the Academy, which have a net book value of £82,000 at 31 August 2015. Should the Academy terminate the catering contract before the end of the five year term, the Academy will be liable to repay an amount equal to the net book value of these catering facilities, at the date of termination. The Academy does not intend to terminate the contract early, therefore the amount has been disclosed as a contingent liability and not included as a provision on the balance sheet.

26 Members' liability

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

27 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council. Both 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 was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £14,000 (2014: £13,000) were payable to the schemes at 31 August 2015 and are included within creditors.

27 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £324,000 (2014: £320,000).

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

27 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

A copy of the valuation reports and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £176,000, of which employer's contributions totalled £134,000 and employees' contributions totalled £42,000. The agreed contribution rates for future years are 19.8% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	4.50%	4.50%
Rate of increase for pensions in payment / inflation	2.70%	2.70%
Discount rate for scheme liabilities	4.00%	3.90%
Inflation assumption (CPI)	2.70%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.8	22.7
Females	25.2	25.1
<i>Retiring in 20 years</i>		
Males	25.1	24.9
Females	27.6	27.4

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

27 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2015 £'000	Expected return at 31 August 2014	Fair value at 31 August 2014 £'000
Equities	827	6.7%	723
Bonds	134	3.6%	125
Gilts	12	3.0%	13
Property	164	5.9%	108
Other assets	85	2.9%	91
Total market value of assets	1,222	6.0%	1,060
Present value of scheme liabilities	(2,177)		(1,963)
(Deficit) in the scheme	(955)		(903)

No long-term expected rate of return at 31 August 2015 has been provided, as for accounting periods beginning on or after 1 January 2015, the expected return and interest cost will be replaced with a single net interest cost. This will effectively set the expected return at a level equal to the discount rate of 4.0%.

The actual return on scheme assets was £26,000 (2014: £61,000).

Amounts recognised in the statement of financial activities	2015 £'000	2014 £'000
Current service costs (net of employee contributions)	(180)	(125)
Past service costs	-	-
Total operating charge	(180)	(125)

Analysis of pension finance income (costs)

Expected return on pension scheme assets	67	54
Interest on pension liabilities	(80)	(81)
Pension finance costs	(13)	(27)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £211,000 (2014: £218,000 loss).

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

27 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Movements in the present value of defined benefit obligations were as follows:	2015 £'000	2014 £'000
Deficit at 1 September 2014	(1,963)	(1,650)
Current service costs	(180)	(125)
Interest cost	(80)	(81)
Employee contributions	(42)	(34)
Actuarial loss (gain)	48	(81)
Benefits paid	40	8
At 31 August 2015	(2,177)	(1,963)

Movements in the fair value of Academy's share of scheme assets	2015 £'000	2014 £'000
At 1 September 2014	1,060	851
Expected return on assets	67	54
Actuarial (loss) gain	(41)	7
Employer contributions	134	122
Employee contributions	42	34
Benefits paid	(40)	(8)
At 31 August 2015	1,222	1,060

The estimated value of the employer contributions for the year ending 31 August 2016 is £124,000.

The five year history of experience adjustments is as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Present value of defined benefit obligations	(2,177)	(1,963)	(1,650)	(1,360)	(952)
Fair value of share scheme assets	1,222	1,060	851	594	377
Deficit in the scheme	(955)	(903)	(799)	(766)	(575)
Experience adjustments on share of scheme assets					
Amount	(41)	7	66	22	(9)
Experience adjustments on scheme liabilities					
Amount	-	67	-	-	-
Changes in assumptions underlying the present value of fund liabilities					
Amount	48	(148)	(80)	(215)	72
Cumulative actuarial gains and losses	(211)	(218)	(144)	(130)	63

Tonbridge Grammar School
Notes to the financial statements for the year ended 31 August 2015

28 Related party transactions

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

The following related party transactions took place in the period of account:

A donation of £10,893 was received from Friends of Tonbridge Grammar School for Girls Limited on the winding up of that company following completion of its purpose to facilitate elements of a project to replace School buildings. Friends of Tonbridge Grammar School for Girls Limited was a related party by virtue of the fact that Mr M Davis, a Governor, was a director of Friends of Tonbridge Grammar School for Girls Limited.

During the year, the company engaged Mr R Bellord of Calford Seaden LLP as Client Representative and Clerk of Works on the building of its new Sixth Form Study Centre and the refurbishment of its Art and Music facilities. The agreed fee was £80 per hour which was Calford Seaden's costs including indirect cost but does not include an element of profit. To the end of August, the company had paid £10,240 under this contract to Calford Seaden LLP (2014: £23,980 was paid under a different contract). No amount was outstanding at the balance sheet date (2014: £525). Calford Seaden LLP is a related party by virtue of the fact that Mr J Parody, a Governor, is a partner of Calford Seaden LLP. Mr Parody has an interest of around 9% in Calford Seaden LLP and therefore Calford Seaden LLP is not considered a connected party. Nevertheless, the transaction meets the letter and spirit of the Academies Financial Handbook 2014 3.2 Trading with connected parties.

During the year, the company paid £150 for maintenance assistance on normal commercial terms to Mr P Gailey. At the balance sheet date, there was no amount outstanding. Mr P Gailey is a related party by virtue of the fact that his parent Mrs M Gailey is a Governor.

Mrs S Thorpe, a Governor, was paid £390 for invigilation work during the period. No amount was outstanding at the balance sheet date.