

COMPANY REGISTRATION NUMBER: 10084743 (England and Wales)

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2020**



**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Pages
Reference and Administrative Details	1
Trustee's Report	2-12
Governance Statement	13-18
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21-23
Statement of Financial Activities incorporating an Income and Expenditure Account	24
Balance Sheet	25
Statement of Cash Flows	26-27
Notes to the Financial Statements incorporating:	
<i>Statement of Accounting Policies</i>	28-32
<i>Other Notes to the Financial Statements</i>	33-50

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Members**

C Kirker	-until April 20
J Mackenzie	-until April 20
D Perrett	
V Stock	
E Pellumbi	
M Alcock	-appointed 24.8.20
J Fingerhut	-appointed 24.8.20
A Oliver	-appointed 24.8.20

**Trustees**

	Appointment at Companies House	Resignation at Companies House
J H Booth-Clibborn	- appointed 24.3.16	-resigned 23.3.20
Dr J Saxton	- appointed 24.3.16	-resigned 22.3.20
M Johal*	- appointed 17.3.17	
J King	- appointed 13.4.18	-resigned 19.9.19
G Cottle*	- appointed 1.2.18	
T Luke	- appointed 1.9.18	
M Buchanan (Chair of the Strategic Board)	- appointed 9.7.19	
Prof H James	- appointed 9.7.19	
J Bushby*	- appointed 12.1.20	
S Murphy	-appointed 23.3.20	
M Taylor	-appointed 7.10.20	
*members of the finance, audit and resources committee or members of the risk and remuneration committee.		

**Secretary**

C Southern	-appointed 16.3.20
------------	--------------------

**Senior Management Team:**

Chief Executive	Dr J Saxton (resigned 22.3.20)
Chief Executive	S Murphy (appointed 23.3.20)
Director of HR, Governance and Compliance	R Fuller (appointed 25.11.19)
Director of Finance and Operations	D Bowles (appointed 3.1.19)

**Company Name**

Turner Schools

**Principal and Registered Office**

Folkestone Academy, Academy Lane, Folkestone, Kent, England CT19 5FP

**Registered Company Number**

10084743 (England and Wales)

**Independent Auditor**

RSM, Statutory Auditors and Chartered Accountants  
 Portland  
 25 High Street  
 Crawley  
 West Sussex  
 RH10 1BG

**Bankers**

Lloyds Bank Plc  
 1<sup>st</sup> Floor, Threadneedle Street  
 London, EC1M 6HR

**Solicitors**

Stone King  
 Boundary House, 91 Charterhouse Street  
 Clerkenwell, London, EC1M 6HR

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The multi-academy trust operates five academy schools for pupils aged 2 to 19 within the town of Folkestone, Kent. The trust had 2,425 pupils on roll as at October 2020.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of Turner Schools are also the directors of the charitable company for the purposes of company law. The charitable company operates as Turner Schools. The charitable company operates Folkestone Academy, Folkestone Primary, Martello Primary, Morehall Primary and Turner Free School.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

**Members' Liability**

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

**Trustees' Indemnities**

Subject to the provisions of the Companies Act 2006, every trustee/director, officer or auditor of the trust shall be indemnified out of the assets of the trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the trust.

**Method of Recruitment and Appointment or Election of Trustees**

The trust's Articles of Association set out the constitution and method of appointment of the trustees. The number of trustees shall not be less than three, but shall not be subject to a maximum. The trust shall have the following trustees; up to nine trustees appointed by the members under Article 50, a minimum of two parent trustees appointed under Articles 53-56 in the event that no Local Governing Bodies are established or if no provision is made for at least two parent local governors on each Local Governing Body, and the CEO of the trust appointed under Article 57. The trust may also appoint Co-Opt trustees under Article 58.

Suitability of trustees is determined by their interest in the work of an Educational Charity, eligibility and personal competence and to ensure the Board of Trustees has the breadth of skills and knowledge necessary to advance the trust in all areas.

Trustees review the candidate's knowledge, experience and specialist skills and ensure they subscribe to the trust's mission and values. Trustees review and discuss suitability and agree to progress appointments. Members ratify appointments made under Article 50.

The term of office for any trustee shall be 4 years, save that this time limit shall not apply to any post which is held ex-officio. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected at a General Meeting.

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT - continued**

**Policies and Procedures Adopted for the Induction and Training of Directors**

There is an induction plan for new trustees. The Trust Governance and Compliance Officer updates Companies House and the Department of Education's Get Information About Schools of the appointment. All members of Governance are expected to complete safeguarding training on appointment.

Training needs are identified through an annual skills audit and self review through the National Governance Association's 'Twenty-One Questions for Multi Academy Trusts'. Annual training on safeguarding and the prevent duty is provided. Updates to the Governance and Academies Financial Handbooks are shared and links to these key documents are provided on appointment and are held within the governors shared drive for reference. The trust is a Gold member of NGA for training, conferences, guidance and best practice.

**Organisational Structure**

The Articles and Governance Handbook set out the structure and the Trust's Scheme of Delegation ensure clarity at every level of governance. The Board of Trustees meet between three and six times a year and are responsible for setting and monitoring the strategic direction of the trust.

Trustees' key responsibilities include:

- setting the vision, values and objectives
- approving the trust strategic plan and reviewing performance
- ensuring good financial health and probity
- making senior appointments
- holding the Chief Executive to account
- approving the Scheme of Delegation

Trustees annually review committee structure, Terms of Reference and membership to ensure effectiveness. Committees comprise appropriately qualified and experienced members.

The Trust Finance, Audit & Resources Committee meets three times a year and the Risk and Remuneration Committee meets twice per year to take a more detailed look at these areas and advise the Board of Trustees in its decision making.

Challenge and Community committees meet at least once every two terms to provide local governance and feedback to the board about the progress, attainment, safeguarding and well-being of pupils at the trust's schools.

The Chief Executive Officer, Director of HR, Governance and Compliance, Director of Finance and Operations and Principals, supported by the wider central team, implement policies, guidelines and targets agreed by the Board, and report back to them on progress. The Chief Executive Officer is the Accounting Officer.

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

The trust appoints teaching staff with reference to the Standard Teachers Pay and Conditions Document pay scales, and support staff with reference to the Kent Ranges via a bespoke Academy Range for non-teaching staff. Where these scales are not suitable, in the case of a minority of staff, the trust can appoint on spot salaries in accordance with benchmarked terms via information sharing with other equivalent trusts or to independent benchmarking evidence. Consideration for key management personnel is done by using national benchmarks including school group sizes and cost per pupil data. We have also considered the rational between executive pay and the average pay of teaching staff across the trust and other factors. We make sure that pay awards are closely linked to performance. Trustees consider executive pay in the context of wider leadership pay across our trust and the contribution this wider leadership make together.

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT - continued**

**Trade Union Facility Time**

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£293
Provide the total pay bill	£12,432,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.002%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	100%
---	------

**Related Parties and other Connected Charities and Organisations**

During the reporting period there were no related party transactions.

**Engagement with employees (including disabled persons)**

The trust CEO conducts a weekly briefing of key updates for staff on all matters concerning them and the trust. There is a shared drive of information where trust staff can access all available policies and key information in addition to a faculty handbook which is revised and shared with staff annually.

An annual staff survey takes place across the trust as well as additional surveys regarding matters of concern to gain feedback and consult employee views. The trust pay into the local Trade Union facilities agreement and this provides opportunity to consult with employee representatives, as well as inclusion of representatives on matters concerning individuals' employment.

The employee appraisal cycle takes place annually across the trust where performance objectives for individuals are linked to whole school and trust strategic objectives. This integrates individual and company performance and is reviewed at key points throughout the year to monitor progress. The trust also has a strategic plan and individual school development plans which are shared widely across the whole staff body.

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT - continued**

Our recruitment policy clearly sets out the provision for disabled candidates and any adjustments that the trust will make. The trust is an equal opportunities employer and career progression and development opportunities are open to all staff equally. There is an occupational health provision and private healthcare provision in place to support staff who become disabled during the course of their employment in addition to individual health and safety risk assessment to ensure all reasonable adjustments are considered. The trust also supports staff via access to work funding for those individuals who require additional funded adjustments.

**Engagement with suppliers, customers and others in a business relationship with the trust**

There has been continuing development to improve the trust's supply chain. The aim is to increase the strength of the supply base by using 'preferred suppliers'. Consolidating the supply chain with a focus on best value can offer economies of scale. There have been internal and external efforts towards achieving this:

- A procurement officer that liaises with suppliers and ensures that best value is achieved and that our three quote policy on larger items of expenditure is adhered to
- Agreements with key suppliers that provide maximum discounts
- Improving the internal requisition system that provides a streamline process from requisition to goods received

Our finance policy also sets out clear guidance for trust staff in our engagement with suppliers, approved suppliers and suppliers that the trust will not engage with.

In the reporting period the trust moved away from outsourcing its lettings and brought it back in-house. The trust uses a system called Wisepay to manage bookings and payments. Customers are able to access Wisepay to make bookings and payment for the use of our facilities.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the charitable company is the operation of five schools – Folkestone Academy, Folkestone Primary, Martello Primary, Morehall Primary and Turner Free School (which opened September 2018), to provide education for pupils of all abilities between the ages of 2 and 19. The objects as specified in the trust's Articles of Association are as follows:

- (a) To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the Mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative education is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs (SEN) ("the Special Academies").

In accordance with the Articles of Association the charitable company has entered into a Funding Agreement with the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the schools, arrangements for pupils with SEN and disabilities and that the curriculum provided to pupils up to the age of 16 shall be broad and balanced.

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Objectives, Strategies and Activities**

The trust is committed to overcoming disadvantage and educational underperformance by running schools where children thrive and knowledge matters. We exist to add educational and social value:

Transforming children's futures

Working effectively in socially and economically challenging areas and having an unflinching focus on improving outcomes for the pupils we serve.

Empowering families

Working transparently and closely with families as joint partners, providing support so that our children are successful.

Strengthening communities

Expecting our academies to contribute strongly to their communities and society in general. Creating young citizens who can increasingly change society, including their community, for the better.

Our ambitions

Better outcomes for more children in challenging communities in the South East. By 2023 we want to serve over 5,000 pupils, based in the south east region and predominantly located in Kent. The trust will aim to serve communities that have significant challenges, but not be restricted to coastal areas.

A broader range of schools so that we can support as many children as possible. By 2023 we will have a balanced mix of primary and secondary schools, with up to 15 schools across the trust, including alternative and post 16 provision.

Stronger connections with employers, higher education and community organisations. By 2023 we will eliminate the number of children who leave school with no qualifications increasing their opportunities to gain high quality employment. We will work closely with national education partners, such as local universities and have strong links to regional and local employers. We will be in partnership with a variety of non-profit organisations, including but not limited to the creative sector.

**Public Benefit**

We have referred to the guidance in the Charity Commission general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that they have set. The main activity of the charitable company is the operation of the trust's schools and educational activity. The purpose is to provide education for pupils of different abilities with an emphasis on a cumulative knowledge-led curriculum, which enables all children to thrive.



**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**OBJECTIVES AND ACTIVITIES - continued**

In setting the schools' objectives and planning their activities the trustees have given careful consideration to the charity commission general guidance on public benefit.

The Board, and all staff, adhere to the Nolan Principles for Public Life and these are promoted across the organisation, including via the Faculty Handbook.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

Progress towards the achievement of objectives is monitored at regular intervals. During the period the trust served 2,425 pupils, and expanded its operations with the opening of the Turner Free School.

The leadership and management of the trust was found to be 'Good' during an inspection by Ofsted at Morehall Primary under Section 5 of the Education Act, and the school was found to be 'Good' in all areas. This was the first time in the school's history that Ofsted had judged it as 'Good' and not requires improvement, serious weaknesses or other category of concern. No other trust school was inspected by Ofsted during the period. Academic results improved across the trust in comparison with the previous year.

Significant investment and works in the premises and facilities of each school site were undertaken once again, improving learning and working environments.

<b>Key Performance Indicators</b>	<b>Period ending 31 August 2020</b>	<b>Period ending 31 August 2019</b>
Staff costs as a percentage of income from educational operations	77.2%	77.8%
Staff costs as a percentage of General Annual Grant income	96.0%	97.3%

Staff absence across the trust has decreased by 17% when compared with the period ending 31 August 2019. The presence of Covid-19 has impacted the trust's overall absence rates for 2019/20 with a number of staff being required to self-isolate for periods of time, however progress has been made in reducing the number of long term sickness absence cases across the trust.

**Promoting the success of Turner Schools**

The trust's strategic plans for schools and central services are presented to the board for challenge and approval. The effects of decisions made today are always considered and included in the long term future planning and included in the trust's risk register.

Turner Schools supports its staff in a number of ways ranging from staff career development to staff remunerations and benefits. The trust adopts the Teachers Union Pay scales to ensure staff are paid at competitive levels and also subscribes all staff to the Benenden Health Care Scheme.

We pride ourselves on maintaining strong relationships with all of its stakeholders and ensures there is a healthy balance between ensuring value for money for the trust and maintaining strong supplier connections, this includes a quick turnaround for making payments to promote healthy cash flows for all suppliers.

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

Turner Schools is at the heart of the Folkestone community and is increasing engagement year on year to further strengthen our bond with the community. Continued efforts to work with the community has led to the employment of a Stakeholder and Community Engagement Lead whose role is solely to create strong and long lasting local partnerships.

During the 2019/20 academic year Martello Primary became the host school for the Locavore Garden which supports local food providers and opens up opportunities for local young people and adults through growing and cooking foods. Partnerships such as this contributes to our Green Plan initiative to reduce the trusts carbon footprint and improve the use of the local environment.

All of this work contributes towards efforts to match practicing levels of academic excellence and good governance with its growing reputation. Communicating partnerships, successes and organisational objectives with staff, student, parents and the local community ensures perception is not lagged behind the reality of the work as it happens.

**FINANCIAL REVIEW**

The majority of the trust's income is obtained from the Department for Education (DfE), via the Education and Skills Funding Agency, in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objects of the trust. The GAG received during the period 1 September 2019 to 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. At the end of the reporting period the trust had an in-year surplus in the restricted general fund, (excluding the pension reserve) of £130k. In the unrestricted funds, the trust had an in-year surplus of £105k.

The trust also receives grants for fixed assets from the DfE. Such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, the trust gratefully received charitable donations during the period of £25,662. Friends of Folkestone Academy provided £1,040 for projects specific to Folkestone Academy and £23,500 was provided by Sir Roger De Haan Charitable Trust.

Expenditure for the period covered by this report was funded by the GAG received from the DfE and other income, such as voluntary income, activities for generating funds and investment income.

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**Reserves Policy**

The trust aims to maintain a level of reserves sufficient to provide a buffer against future funding uncertainties and provide a fund for future fixed assets replenishment.

The Academy had a defined benefit pension fund liability of £8,990k as at 31 August 2020 (2019: £7,869k). The liability is included in restricted reserves as the trust will have to meet any long term liability out of restricted reserves. It should be noted however that this deficit will not crystallise in the foreseeable future and that the trust follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. This level of contributions has been taken into account when preparing the trust's budgets for the year ending 31 August 2021.

As at 31 August 2020, the trust had a balance of £717k of unrestricted funds (2019: £612k), a fixed asset fund of £39,496k (2019: £40,469k), general restricted funds of £130 (2019: £nil) and a pension deficit of £8,990k (2019: £7,869k). Total reserves were £31,353k (2019: 33,212k).

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**FINANCIAL REVIEW – continued**

**Investment Policy**

The trust's policy is to invest surplus funds in low-risk short term bank deposits.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Key risks for the trust are:

- High pupil mobility at Martello Primary, which undermines aggregated outcomes.
- Falling primary population in the region.
- The impact of coronavirus on the trust's ability to deliver education
- Funding challenges, and lack of future visibility on the same due to government change.
- Brexit, given our proximity to the Port of Dover and Eurotunnel terminal.
- Recruitment to Folkestone Academy at KS3.

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the schools and their finances. The trust has taken significant steps to mitigate the impact of coronavirus on its' pupils and staff. A number of systems have been implemented to assess risks that the schools face, especially in the operational areas, and in relation to the control of finance. Systems are in place, including operational procedures and internal financial controls (see Statement on Internal Control) in order to minimise risk. Where significant financial risk remains trustees have ensured adequate insurance cover through the RPA and other policies.

The future financial and risk management objectives for the trust include:

- Operation following Brexit.
- Regular communication and planning in response to further information regarding Covid-19.
- Ensuring that the impact from the current tightening of funding and increased pension costs in the public sector is fully taken in to consideration when decisions about future spending are taken. Ensuring appropriate student recruitment as the trust's positive work with pupils becomes known.
- Ensuring that the staffing is appropriate in terms of, remaining within Curriculum Led Financial Planning boundaries in the schools, and ensuring that the central functions are appropriately staffed to provide the best possible levels of service to the schools.
- Growth of Turner Free School and the continuation of works for its permanent site.
- Development of a joint Post 16 provision at Turner Free School and Folkestone Academy.

**FUNDRAISING**

During the period covered by this report the trust's fundraising activities comprised of applications for grants plus local fundraising via school Parent, Teachers and Friends Associations.

**Covid-19**

The trust does not currently consider there to be any significant financial uncertainties or risk to going concern as a result of the known implications of the Covid-19 pandemic.

During the 2019/20 academic year, one school remained open during the lockdown period to support all Turner School's key workers and vulnerable children. The trust was able to do this due to the close proximity of all the schools. The trust managed to ensure that all families were able to access remote learning through loaned school devices and providing internet access. The trust successfully launched its google platform and provided remote learning via google classrooms.

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

Due to the benefits realised of remote learning and the potential cost savings of classroom resources, the trust has decided to earmark reserves to support the roll out of the trust's digital future.

Pupil safety was our primary concern and our safeguarding teams within each school maintained regular contact with families identified as being vulnerable.

Government guidance on vulnerable people was followed closely and communicated to staff. In addition to the day to day line management support given to staff, strategic contact was maintained on a weekly basis via the CEO's trust wide weekly virtual communications.

The trust incurred over £100k in exceptional Covid-19 costs, much of which was spent providing FSM families with food vouchers. The total of these exceptional costs have been reclaimed from the DfE.

Planning and preparation for the 2020/21 academic year was extensive in order to meet all government guidelines. Each school had an internal risk assessment. We also received independent advice to provide external assurance that controls were in place for the safe return of staff and students. The trust's 2020/21 budgets have factored 40% more cleaning hours and doubled the cleaning materials budget to ensure schools are Covid-19 safe.

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**FINANCIAL REVIEW – continued**

**STREAMLINED ENERGY AND CARBON REPORTING**

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	<b>2,370,535</b>
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	<b>204.00</b>
Owned transport – mini-buses	<b>6.65</b>
Total scope 1	<b>210.64</b>
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	<b>286.78</b>
Scope 3 emissions in metric tonnes CO2e Business travel in employee owned vehicles	<b>1.20</b>
Total gross emissions in metric tonnes CO2e	<b>498.62</b>
Intensity ratio Tonnes CO2e per pupil	<b>0.21</b>
<p><b>Quantification and Reporting Methodology</b>  We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.</p> <p><b>Intensity measurement</b>  The ratio measure chosen is the total gross emissions in metric tonnes CO2e per pupil. This is the recommended ratio for the sector.</p> <p><b>Measures taken to improve energy efficiency</b>  We have installed smart meters across all sites and have solar panels at Folkestone Academy. Since the Covid-19 pandemic the trust has increased the usage of video conferencing technology for staff/board meetings, to reduce the need for travel between sites.</p>	

**PLANS FOR FUTURE PERIODS**

The trust has a number of priorities for the next three years. These are sketched out in more detail in the trust Strategic Plan.

1. Quality of education. Increase the achievement of pupils, especially from disadvantaged backgrounds, to exceed national averages at 11, 16 and 18. Ensure that the majority of pupils move into meaningful employment, training or education, especially those who have SEND or are vulnerable.
2. Leadership development. Increase the transformational leadership capacity across the trust; including governors, so that leaders at all levels increase achievement and improve provision for pupils.

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**PLANS FOR FUTURE PERIODS - continued**

3. Workforce development. Improve recruitment and retention of staff. Develop staff at all levels so that they become experts in their field.
4. Community engagement. Strengthen engagement with local employers and the community.
5. Trust level development. Increase the capacity of the trust to provide excellent services and provision to the schools. Ensure that schools are full and that the finances are well managed to support raising standards.
6. Personal development. Develop a trust wide creative curriculum to improve pupils' confidence, self-esteem and cultural capital.
7. Trust growth strategy. Strengthen the long term sustainability of the trust through growth with a well balanced mix of schools from different phases within the region.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

During the period covered by this report neither the trust nor its trustees held any funds as a custodian trustee on behalf of any other charitable organisation.

**AUDITOR**

Insofar as the trustees are aware:

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

The report of the trustees, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2020 and signed on the Board's behalf by:

A handwritten signature in black ink, appearing to read 'MB', followed by a long horizontal line extending to the right.

**Michael Buchanan**  
**Chair of Trust Board**

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Turner Schools 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Turner Schools and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. The Risk and Remuneration Committee met twice during the year, and the Finance, Audit and Resources committee met three times during the year ended 31 August 2020. Attendance during this period at meetings of the Board of Trustees was as follows:

<b>Trustee Meetings</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
<b>Member – AGM Meetings</b>		
C Kirker (resigned April 20)	1	1
J Mackenzie (resigned April 20)	1	1
E Pellumbi	1	1
D Perret	1	1
V Stock	1	1
A Oliver (appointed August 2020)	0	0
J Fingerhut (appointed August 2020)	0	0
M Alcock	0	0
<b>Trustee – Board Meetings</b>		
J H Booth-Clibborn (resigned 23.3.20)	2	3
G Cottle	3	6
M Johal	5	6
J King (resigned 9.9.19)	0	0
T Luke	6	6
Dr J Saxton (resigned 22.3.20)	3	3
M Buchanan (Chair)	6	6
J Bushby (appointed 30.10.19)	6	6
H James	4	6
S Murphy (appointed 23.03.20)	3	3

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

The Academy Trust has three layers of governance: members who oversee the Academy Trust, trustees who are responsible for the overall strategic direction and control of the Academy Trust and local governors (Challenge and Community Committees). The trustees are the trustees of the charity. The trustees are the strategic and accountable Governing Board.

Trust sub committees have clearly defined roles laid out in the Scheme of Delegation, responsibilities are laid out in the Terms of Reference and include;

- providing oversight on internal controls and monitoring financial performance at trust and school level
- reviewing internal audit reports
- monitoring strategic risk registers
- recommending financial policies and budgets that support the mission, values, and strategic goals
- ensuring compliance with the Academies Financial handbook
- ensuring compliance with the Academies Financial handbook
- reviewing Premises Development Plans and agreeing the Capital Development Plan

There is a trust policy review schedule and process in place and trustees use the services of external experts for validation of judgements where necessary and effectiveness is challenged further through self-evaluation.

The purpose of governance at the trust is to ensure the trust complies with its Articles and all relevant statutory guidance. The purpose of the Local Governing Body is to assist the main Trust Board in driving up and reviewing the progress, attainment, safeguarding and well-being of the pupils in the constituent Academies as well as ensuring value for money.

**Governance Reviews**

This was the third full financial reporting period for the trust, the prior period ran from September 2018 to August 2019. James Booth-Clibborn, and Jo Saxton left the board during the period due to changed commitments. Seamus Murphy joined the board during the period.

The Board reviewed their effectiveness in Term 1. The trust SEF (self-evaluation) was reviewed in Term 6. Trustees to review the '21 Questions for Multi Academy Trusts' annually.

Local governors completed a self-review at the end of the year which will be reviewed in Term 1 2020.

During the reporting period the Finance, Audit and Resources Committee (FARC) and the Risk and Remuneration Committee (RREMC), both sub-committees of the Trust Board, contributed to oversight of the work of all schools in the trust. The Board reviewed the governance structure in term 6. As a result the trustees agreed that the Finance, Audit and Resources Committee would be responsible for risk management and the Board would cover pay and performance management.

With regard to the Finance, Audit and Resources Committee, membership during the year comprised a minimum of three members, the Accounting Officer or Director of Finance and Operations are in attendance. The Accounting Officer and the Director of Finance and Operations are not part of the committee for matters relating to audit. Its purpose is to oversee funding, cash flow, resources including systems, internal control, internal audit scope and external audit, and to report on such to the full board of trustees. This committee met 3 times in the year ended 31 August 2020. During the period ended 31 August 2020 the attendance was as follows:



**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Meetings Attended	Out of a possible
G Cottle	2	3
M Johal (Chair)	3	3
M Taylor (resigned 7.12.19)	0	1
H Watchorn	2	3
J Fox (resigned 13.02.20)	1	1
J Bushby	3	3

With regard to the Risk and Remuneration Committee, membership during the year comprised a minimum of three members. The committee will be quorate with three members in attendance. Its purpose is to assist and advise the Board on matters relating to remuneration and risk within the trust, this includes the consideration of executive pay for which a benchmarking exercise is undertaken annually. During the period ended 31 August 2020 the attendance was as follows:

	Meetings attended	Out of a possible
J Bushby (Chair)	2	2
G Cottle	2	2
J Fox (appointed 13.02.20)	0	1
D Bowles	1	1
R Fuller	1	1

**Review of Value for Money**

As Accounting Officer, the Chief Executive has responsibility for ensuring that the 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 each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the trust has delivered improved value for money during the year by:

**Turner Schools'**

What we have achieved so far:

Turner Schools has turned three. The initial vision to bring about sea change in the educational provision in Folkestone has now been well established. Standards have risen over the last three years across our academies and currently only one of the academies is not graded as 'good' but has rapidly improved over the last 18 months.

**School improvement**

The trust gives the highest priority to school improvement and has created a well respected central trust team that oversees all aspects such as HR, finance, governance, general administration as well as specialist experts in improving teaching and learning and leadership and management.

The schools also share central staff which facilitates greater savings by achieving economies of scale in for example procurement and staffing costs. The trust actively bids for additional funds, and is meticulous in checking entitlements thus ensuring that our schools receive the maximum funding available to ensure that we can raise standards and bridge the attainment and isolation gap.

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Review of value for money - continued**

The trust has responded to the School Resource Management Advisor (SRMA) report by reviewing leadership and staffing costs and is well on the way to making savings of £1.5 million over two years.

The new strategic plan includes financial costs to support growth and key areas for development to raise standards.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Turner Schools for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The Risk and Control Framework**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Audit and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks reviewed by the Risk and Remuneration Committee and the Board.

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Internal Scrutiny**

The trust has a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively.

The trust identifies on a risk-basis (with reference to its risk register) the areas it will review each year, modifying its checks accordingly.

Internal scrutiny reviews focus on:

- evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures are designed effectively and efficiently, and checking whether agreed procedures have been followed.
- offering advice and insight to the board on how to address weaknesses in financial and non-financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the trust.
- ensuring all categories of risk are being adequately identified, reported and managed.

Independence in internal scrutiny is achieved by establishing appropriate reporting lines whereby those carrying out checks report directly to a committee of the board, which in turn provides assurance to the trustees.

During the academic year the trust approved three external reviews in key areas which were reported to the Board.

Non financial - A School Health and Safety Audit was completed at four Turner schools by Armadillo Safety Solutions. All of the schools received a good rating scoring of between 84% - 87%. This extensive review gave trustees the comfort that the schools reviewed were being operated at a high level of health and safety compliance.

Non financial - A Fire Risk Assessment was completed at all Turner schools by Armadillo Safety Solutions. All of the schools received a scoring of between 73% - 76%. This extensive review gave trustees the comfort that all of the schools were being operated at a high level of fire safety compliance. The review also informed the trust of the future need to replace fire exit doors that were approaching their useful life and could not be repaired. As a result these works were added to the 5 year capital plan and a program of replacement implemented and actioned.

Financial - A visit was undertaken by the ESFA School Resource Management Advisor to review the trusts financial procedures and receive advice on achieving best value for money. The advisor highly commended the financial procedures, controls and reporting that inform the board of the trusts current financial position and future direction. The advisor identified significant savings that could be achieved over a three year period. Savings were predominately staffing focused and were calculated using benchmarked ratios against similar sized schools. As part of the budgeting setting process the trust included 75% of the recommendations and justified the remaining 25% to support school improvement. The review provided satisfaction to trustees that the processes that maintain financial control within the trust were robust and confirmed staffing decisions that had already been discussed and recommended.

A fourth peer to peer financial review was planned, however unfortunately did not take place due to effects caused by the Covid-19 pandemic.

The Board have approved three areas for review in 2020/21 which include:

- ICT infrastructure to best support the digital learning platform.
- HR and Payroll system – a new system will have been implemented and procedures changed.
- 5 year capital plan is financially accurate and includes all high spending replacements and strategic projects.

**Review of Effectiveness**

As Accounting Officer, the Chief Executive 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 external professional advisors;
- the work of the external auditor;
- a Responsible Officer style visit;
- internal audit on an independent peer review basis;

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

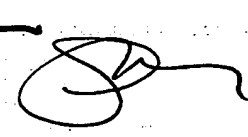
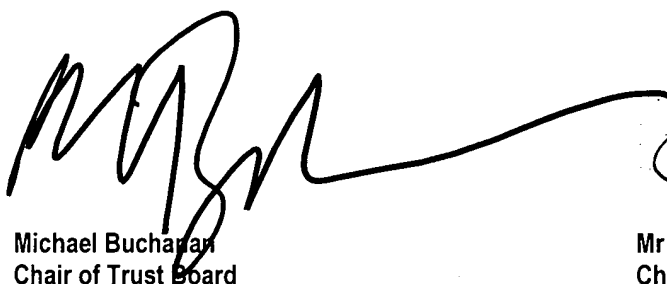
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Internal Scrutiny - continued**

- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 14 December 2020 and signed on its behalf by:



**Michael Buchanan**  
**Chair of Trust Board**

**Mr Seamus Murphy**  
**Chief Executive and Accounting Officer**

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

As accounting officer of Turner Schools I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all 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 2019.

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



**Mr Seamus Murphy**  
**Chief Executive and Accounting Officer**

Date: 14 December 2020

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

The trustees of Turner Schools (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education and Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on December 14, 2020 and signed on its behalf by:



**Michael Buchanan**  
**Chair of Trust Board**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
TURNER SCHOOLS YEAR ENDING ON 31 AUGUST 2020**

**Opinion**

We have audited the financial statements of Turner Schools (the "charitable company") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

*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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
TURNER SCHOOLS YEAR ENDING ON 31 AUGUST 2020**

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees responsibilities set out on page 20 the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**TURNER SCHOOLS YEAR ENDING ON 31 AUGUST 2020**

**Use of our report**

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

**RSM UK Audit LLP.**

Zoe Longstaff – Tyrrell (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Portland  
25 High Street  
Crawley  
West Sussex  
RH10 1BG

Date: **17 December 2020**

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	31.08.20 Total Funds £'000	31.08.19 Total Funds £'000
<b>Income and endowments from:</b>						
Donations and capital grants	2	26	-	82	108	5,770
Charitable activities:						
Funding for the trust's educational operations	3	400	14,703	-	15,103	15,197
Other trading activities	4	42	-	-	42	55
Investments	5	1	-	-	1	2
<b>Total income</b>		<b>469</b>	<b>14,703</b>	<b>82</b>	<b>15,254</b>	<b>21,024</b>
<b>Expenditure on:</b>						
Charitable activities:						
Trust's educational operations	6	364	14,904	1,493	16,761	17,158
<b>Total expenditure</b>	7	<b>364</b>	<b>14,904</b>	<b>1,493</b>	<b>16,761</b>	<b>17,158</b>
<b>Net income / (expenditure) for the year</b>		<b>105</b>	<b>(201)</b>	<b>(1,411)</b>	<b>(1,507)</b>	<b>3,866</b>
<b>Transfers between funds</b>	19	-	(438)	438	-	-
		105	(639)	(973)	(1,507)	3,866
<b>Other recognised gains and losses</b>						
Actuarial (losses) gains on defined benefit pension schemes	19 & 23	-	(352)	-	(352)	(2,166)
<b>Net movement in funds</b>		<b>105</b>	<b>(991)</b>	<b>(973)</b>	<b>(1,859)</b>	<b>1,750</b>
<b>Total funds brought forward</b>	19	<b>612</b>	<b>(7,869)</b>	<b>40,469</b>	<b>33,212</b>	<b>31,462</b>
<b>Net income/(expenditure) – carried forward</b>		<b>717</b>	<b>(8,860)</b>	<b>39,496</b>	<b>31,353</b>	<b>33,212</b>

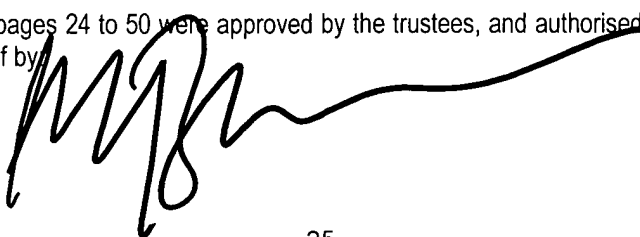
**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED COMPANY NUMBER: 10084743**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Notes	31.08.20 £'000	31.08.20 £'000	31.08.19 £'000	31.08.19 £'000
<b>Fixed assets</b>					
Tangible assets	13		40,384		41,469
<b>Current assets</b>					
Stocks	14	8		8	
Debtors	15	691		1,202	
Cash at bank and in hand		<u>1,566</u>		<u>810</u>	
		2,265		2,020	
<b>Current Liabilities</b>					
Creditors: Amounts falling due within one year	16	<u>1,527</u>		<u>1,496</u>	
		1,527		1,496	
<b>Net current assets</b>			<u>738</u>		<u>524</u>
<b>Total assets less current liabilities</b>			41,122		41,993
<b>Creditors</b>					
Amounts falling due after more than one year	17		<u>(779)</u>		<u>(912)</u>
<b>Net assets excluding pension liability</b>			40,343		41,081
Pension scheme liability	23		<u>(8,990)</u>		<u>(7,869)</u>
<b>Total net assets</b>			<u>31,353</u>		<u>33,212</u>
<b>Funds of the trust:</b>					
<b>Restricted funds</b>					
Fixed asset funds	19	39,496		40,469	
General funds	19	130		-	
Pension reserve	19	<u>(8,990)</u>		<u>(7,869)</u>	
<b>Total restricted funds</b>			30,636		32,600
<b>Unrestricted funds</b>					
General funds	19	<u>717</u>		<u>612</u>	
<b>Total unrestricted funds</b>			<u>717</u>		<u>612</u>
<b>Total funds</b>			<u>31,353</u>		<u>33,212</u>

The financial statements on pages 24 to 50 were approved by the trustees, and authorised for issue on 14 December 2020 and are signed on their behalf by

Michael Buchanan  
Chair of Trust Board



**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	31.08.20 £'000	31.08.19 £'000
<b>Cash flows from operating activities</b>			
Net cash provided/(used in) by operating activities	1	1,295	1,190
<b>Cash flows from investing activities</b>	2	(325)	(494)
<b>Cash flows from financing activities</b>	3	(214)	(279)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>756</u>	<u>417</u>
<b>Cash and cash equivalents at 1 September 2018</b>		<u>810</u>	<u>393</u>
<b>Cash and cash equivalents at 31 August 2019</b>	4	<u>1,566</u>	<u>810</u>

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. Reconciliation of net income to net cash flow from operating activities**

	31.08.20 £'000	31.08.19 £'000
Net income / (expenditure) income for the period (as per the Statement of Financial Activities)	(1,507)	3,866
Adjusted for:		
Depreciation charges (note 13)	1,493	1,391
Capital grants from DfE/ESFA and other capital income (note 2)	(82)	(690)
Interest received (note 5)	(1)	(2)
Fixed assets donations on transfer into trust (note 2 and note 25)	-	(4,967)
Defined benefit pension finance cost (note 23)	769	594
Decrease in stocks		9
Decrease in debtors	511	967
Increase in creditors	112	22
<b>Net cash (used in) / provided by operating activities</b>	<b>1,295</b>	<b>1,190</b>

**2. Cash flows from investing activities**

	31.08.20 £'000	31.08.19 £'000
Dividends, interest and rents from investments	1	2
Purchase of tangible fixed assets	(408)	(1,186)
Capital grants from DfE/ESFA	82	690
<b>Net cash provided by investing activities</b>	<b>(325)</b>	<b>(494)</b>

**3. Cash flows from financing activities**

	31.08.20 £'000	31.08.19 £'000
Cash outflows for loan repayments	(214)	(279)
<b>Net cash provided by financing activities</b>	<b>(214)</b>	<b>(279)</b>

**4. Analysis of cash and cash equivalents**

	31.08.20 £'000	31.08.19 £'000
Cash in hand and at bank	1,566	810
<b>Total cash and cash equivalents</b>	<b>1,566</b>	<b>810</b>

**5. Analysis of changes in net debt**

	At 1 September 2019 £,000	Cash flows £,000	Other non- cash changes £,000	At 31 August 2020 £,000
Cash	810	756	-	1,566
		756		
Loans falling due within one year	(214)	214	(133)	(133)
Loans falling due after more than one year	(912)	-	133	(779)
<b>Total</b>	<b>(316)</b>	<b>970</b>	<b>-</b>	<b>654</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. ACCOUNTING POLICIES**

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

**Basis of preparation**

The financial statements of the trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency, the Charities Act 2011 and the Companies Act 2006.

Turner Schools meets the definition of a public benefit entity under FRS102. The trust presents its results rounded to the nearest thousand pound sterling.

**Going concern**

The trustees have considered whether it is appropriate to prepare the financial statements on the basis that the Academy Trust is a going concern, including the impact of the Covid-19 (Coronavirus) outbreak on that assessment. Confirmed funding, the cash flow forecast and the trust's four year budget forecast support this basis. The trust is funded by the ESFA and the amount of funding for the financial year 2020/21 is known and guaranteed. The trust has submitted its record of students on the enumeration date of 1<sup>st</sup> October 2020, and so expects that the funding for the year to 31 August 2022 will be in excess of the previous year. The trustees believe that the charity has sufficient funds to continue its activities for at least twelve months from the date of signing the financial statements and that there are no material uncertainties impacting on that assessment.

As at 31 August 2020 the trust held cash reserves of £1,565,403.

**Income**

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

- **Grants**

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

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

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

- **Sponsorship Income**

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED AUGUST 2020**

**1. ACCOUNTING POLICIES – continued**

- **Donations**  
Donations are recognised on a receivable basis (where there are no performance related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other income**  
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the trust has provided the goods or services.
- **Donated goods, facilities and services**  
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.  
On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.
- **Transfer of existing academies into the Trust**  
Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the Transfer of an existing academy into the trust within Donations and capital grant income.
- **Donated fixed assets (excluding transfers on conversion/into the trust)**  
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's accounting policies.

**Expenditure**

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

- **Expenditure on raising funds**  
This includes all expenditure incurred by the trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**  
These are costs incurred on the trust's educational operations, including support costs and costs relating to the governance of the trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. ACCOUNTING POLICIES – continued**

**Tangible Fixed Assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land	- 0%
Buildings	- 2%
Building Maintenance	- 5% - 20%
Furniture and equipment	- 10% - 20%
Computer equipment	- 25%
Motor vehicles	- 20%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

**Liabilities**

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

**Provisions**

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

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



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. ACCOUNTING POLICIES – continued**

**Leased Assets**

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

**Financial Instruments**

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Stock**

Unsold uniform stock is valued at the lower of cost and net realisable value.

**Taxation**

The 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 Part 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 trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. ACCOUNTING POLICIES – continued**

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

**Fund Accounting**

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

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

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

**Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 31, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The net book value of leasehold property, included within fixed assets, is based on assumptions in relation to the useful life of property and the residual value of the assets. The element of leasehold property which relates to land is deemed to have a finite life of 125 years and is depreciated accordingly. The element of leasehold property which does not relate to land is depreciated on a straight line basis of 50 years, being the estimated useful economic life and it is assumed that the asset has no residual value on the basis of its specialised nature. Any changes in these assumptions will have an impact on the carrying amount of fixed assets.

Critical areas of judgement

The trustees do not consider there to be any critical areas of judgement, other than those relating to estimation above, which have a significant effect on the amounts recognised in the financial statements.

**Agency Arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 24.

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £'000	Restricted Funds £'000	31.08.20 Total Funds £'000	31.08.19 Total Funds £'000
Capital grants	-	82	82	690
Donated fixed assets	-	-	-	4,967
Other donations	26	-	26	113
	<u>26</u>	<u>82</u>	<u>108</u>	<u>5,770</u>

**3. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £'000	Restricted Funds £'000	31.08.20 Total Funds £'000	31.08.19 Total Funds £'000
<b>DfE/ESFA revenue grants</b>				
General Annual Grant (GAG)	-	12,151	12,151	12,160
Other DfE Group grants	-	1,980	1,980	1,670
	<u>-</u>	<u>14,131</u>	<u>14,131</u>	<u>13,830</u>
<b>Other government grants</b>				
Local authority grants	-	553	553	784
Other income from the trust's educational operations	400	19	419	583
<b>Total education operations</b>	<u>400</u>	<u>14,703</u>	<u>15,103</u>	<u>15,197</u>

In the period, the trust claimed £101k from the DfE/ESFA for exceptional costs associated with Covid-19. Of the £101k claimed, £83k was claimed for free school meal vouchers.

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted Funds £'000	Restricted Funds £'000	31.08.20 Total Funds £'000	31.08.19 Total Funds £'000
Hire of facilities	15	-	15	27
Uniform sales	-	-	-	5
Other income	27	-	27	23
	<u>42</u>	<u>-</u>	<u>42</u>	<u>55</u>

**5. INVESTMENTS INCOME**

	Unrestricted Funds £	Restricted Funds £	31.08.20 Total Funds £'000	31.08.19 Total Funds £'000
Deposit account interest	<u>1</u>	<u>-</u>	<u>1</u>	<u>2</u>

**6. EXPENDITURE**

	Staff Costs £'000	Premises Costs £'000	Other Costs £'000	31.08.20 Total £'000	31.08.19 Total £'000
Expenditure on raising funds					
<i>Academy's educational operations</i>					
Direct costs	9,509	-	930	10,439	10,887
Allocated support costs	<u>2,923</u>	<u>870</u>	<u>2,529</u>	<u>6,322</u>	<u>6,271</u>
	<u>12,432</u>	<u>870</u>	<u>3,459</u>	<u>16,761</u>	<u>17,158</u>

Net income / (expenditure) for the period includes:

	31.08.20 £'000	31.08.19 £'000
Operating lease rentals	44	35
Depreciation	1,493	1,391
Auditor's remuneration	22	20
Auditor's' remuneration for non-audit work	2	1

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED AUGUST 2020**

**7. CHARITABLE ACTIVITIES – TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £'000	Restricted Funds £'000	31.08.20 Total £'000	31.08.19 Total £'000
<b>Direct costs</b>				
Direct costs – educational operations	138	10,301	10,439	10,887
	<u>138</u>	<u>10,301</u>	<u>10,439</u>	<u>10,887</u>
<b>Allocated support costs</b>				
Support staff costs	95	2,679	2,774	2,483
Depreciation	-	1,493	1,493	1,391
Technology costs	-	312	312	284
Maintenance of premises and equipment	23	300	323	404
Rent, rates and water	-	232	232	266
Energy costs	7	248	255	287
Insurance	-	60	60	63
Bank interest and charges	-	16	16	17
Governance costs	-	24	24	31
Professional services	-	71	71	181
Defined benefit pension net interest cost	-	149	149	136
Other support costs	101	512	613	728
	<u>226</u>	<u>6,096</u>	<u>6,322</u>	<u>6,271</u>
	<u>364</u>	<u>16,397</u>	<u>16,761</u>	<u>17,158</u>

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason
Gifts made	£251.66	Not applicable	Not applicable

**Operating Lease Rentals**

At the reporting end date the trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	30,854	44,108

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED AUGUST 2020**

**8. STAFF**

**a) Staff costs**

Staff costs during the year were:

	31.08.20 £'000	31.08.19 £'000
Wages and salaries	8,399	8,409
Social security costs	808	816
Pension Costs	<u>2,563</u>	<u>1,936</u>
	11,770	11,161
Supply teacher costs	567	1,166
Staff restructuring costs	<u>95</u>	<u>86</u>
	<u>12,432</u>	<u>12,413</u>

Staff restructuring costs comprise:

Redundancy payments	33	6
Severance payments	<u>62</u>	<u>80</u>
	<u>95</u>	<u>86</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £62,659 (2019: £79,508). Individually, the payments were: £1,518, £4,952, £30,150 and £26,039.

**c) Staff numbers**

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

	31.08.20		31.08.19	
Charitable activities	Head count	FTE	Head count	FTE
Teachers and educational support	232	200	263	221
Administration and support	80	66	67	50
Management	<u>10</u>	<u>8</u>	<u>9</u>	<u>9</u>
	<u>322</u>	<u>274</u>	<u>339</u>	<u>280</u>

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED AUGUST 2020**

**d) Higher paid staff**

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

	31.08.20	31.08.19
£60,000 - £70,000	4	2
£70,001 - £80,000	4	1
£80,001 - £90,000	2	2
£100,001 - £110,000	1	0
£110,001 - £120,000	0	1
£120,001 - £130,000	1	0
£140,001 - £150,000	0	1
	<hr/> 12	<hr/> 7

**e) Key management personnel**

The key management personnel of the trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the trust was £884,748. (2019: £981,586).

**9. CENTRAL SERVICES**

The trust has provided central services in the form of strategic and operational management, legal and professional support services (including educational support and fundraising) to its academies during the period.

The trust withholds between 4.5% and 6% of funds depending on the circumstances of each Academy. This is approved and reviewed at Board level.

The actual amounts charged during the period were as follows:

	31.08.20 £'000	31.08.19 £'000
Morehall Primary	41	50
Martello Primary	43	40
Folkestone Academy	563	595
Turner Free School	97	35
	<hr/> 744	<hr/> 720

**10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

One or more trustees has been paid remuneration or has received other benefits from employment with the trust. The Chief Executive and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of staff members under their contracts of employment. Other trustees did not receive any payments from the trust, including expenses, in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Dr J Saxton	Chief Executive and trustee until 22 March 20 Remuneration - £83,917 (2019 £149,783) Employer's pension contributions - £17,333 (2019 £30,916)
Mr S Murphy	Chief Executive and trustee from 23 March 20 Remuneration - £55,301 Employer's pension contributions - £13,095

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED AUGUST 2020**

**Related Party Transactions – Trustees' Remuneration and Expenses – continued**

During the period ended 31 August 2020, travel and subsistence expenses totalling £206 (2019 £336). Other related party transactions involving the trustees are set out in note 23.

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2020 was £46,661(2019: £51,939). The cost of this insurance is included in the total insurance cost.



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	31.8.19 Total Funds £'000
<b>Income from:</b>					
Donations and capital grants	2	113	-	5,657	5,770
<i>Charitable activities:</i>					
Funding for the trust's educational operations	3	554	14,643	-	15,197
Other trading activities	4	55	-	-	55
Investments	5	2	-	-	2
<b>Total income</b>		<u>724</u>	<u>14,643</u>	<u>5,657</u>	<u>21,024</u>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Trust's educational operations	6	<u>594</u>	<u>15,173</u>	<u>1,391</u>	<u>17,158</u>
<b>Total expenditure</b>	7	<u>594</u>	<u>15,173</u>	<u>1,391</u>	<u>17,158</u>
<b>Net income / (expenditure) for the year before other recognised gains and losses</b>		130	(530)	4,266	3,866
<b>Transfer between funds</b>		<u>(316)</u> <u>(186)</u>	<u>(64)</u> <u>(594)</u>	<u>380</u> <u>4,646</u>	<u>-</u> <u>3,866</u>
<b>Other recognised gains and losses</b>					
Actuarial (losses) gains on defined benefit pension schemes	19 & 23	-	(2,116)	-	(2,116)
<b>Net movement in funds</b>		<u>(186)</u>	<u>(2,710)</u>	<u>4,646</u>	<u>1,750</u>
<b>Total funds brought forward</b>	19	<u>798</u>	<u>(5,159)</u>	<u>35,823</u>	<u>31,462</u>
<b>Total funds carried forward</b>		<u>612</u>	<u>(7,869)</u>	<u>40,469</u>	<u>33,212</u>

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**13. TANGIBLE FIXED ASSETS**

	Freehold land and buildings	Leasehold land and buildings	Furniture and equipment	Computer equipment	Motor vehicles	Totals
	£'000	£'000	£'000	£'000	£'000	£'000
<b>COST</b>						
At 1 September 2019	35,747	6,400	844	761	2	43,754
Additions	39	-	93	276	-	408
Disposals	-	-	-	-	(2)	(2)
At 31 August 2020	35,786	6,400	937	1,037	-	44,160
<b>DEPRECIATION</b>						
At 1 September 2019	1,394	370	193	326	2	2,285
Charge for year	914	199	181	199	-	1,493
Eliminated on disposal	-	-	-	-	(2)	(2)
At 31 August 2020	2,308	569	374	525	-	3,776
<b>NET BOOK VALUE</b>						
At 31 August 2019	34,353	6,030	651	435	-	41,469
At 31 August 2020	33,478	5,831	563	512	-	40,384

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**14. STOCKS**

	31.08.20 £'000	31.08.19 £'000
Uniforms	8	8
	<u>8</u>	<u>8</u>

**15. DEBTORS**

	31.08.20 £'000	31.08.19 £'000
Trade debtors	3	39
VAT recoverable	89	139
Prepayments and accrued income	572	869
Other debtors	27	155
	<u>691</u>	<u>1,202</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.08.20 £'000	31.08.19 £'000
Loans	110	110
ESFA Advance	23	104
Trade creditors	589	780
Other taxation and social security	192	192
Defined benefit pension scheme	209	-
Other creditors	30	49
Accruals and deferred income (deferred income - note 18)	374	261
	<u>1,527</u>	<u>1,496</u>

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.08.20 £'000	31.08.19 £'000
Loans	779	889
ESFA Advance	-	23
	<u>779</u>	<u>912</u>

The loans and advances from the ESFA/advance and are provided on the following terms:

	Original loan £'000	Duration	Term remaining	Due < 1 year £'000	Due > 1 year £'000
ESFA	173	5 years	3 months	23	-
ESFA	1,100	10 years	8 years	110	779
Total				<u>133</u>	<u>779</u>

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**18. DEFERRED INCOME**

	31.08.20 £'000	31.08.19 £'000
Deferred income at 1 September	139	187
Resources deferred in the year	146	139
Amounts released from previous years	<u>(139)</u>	<u>(187)</u>
Deferred income at 31 August	<u>146</u>	<u>139</u>

Deferred income at 31 August 2020 represents rates relief income of £66,764 (2019: £26,400); Universal Infant Free School Meal income of £54,335 (2019: £50,220); Teachers' Pension grant overpaid to the trust that will be deducted from the 20/21 allocation of £18,084 and Head Start funding of £6,500. All deferred funds have been received in advance but relate to the period 1 September 2020 to 31 August 2021.

**19. FUNDS**

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, Losses and Transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	12,151	(11,713)	(438)	-
Other DfE/ESFA grants	-	1,980	(1,850)	-	130
Other government grants		553	(553)	-	-
Other restricted funding		19	(19)	-	-
Pension reserve	<u>(7,869)</u>	<u>-</u>	<u>(769)</u>	<u>(352)</u>	<u>(8,990)</u>
	<u>(7,869)</u>	<u>14,703</u>	<u>(14,904)</u>	<u>(790)</u>	<u>(8,860)</u>
<b>Restricted fixed asset funds</b>					
Assets	<u>40,469</u>	<u>82</u>	<u>(1,493)</u>	<u>438</u>	<u>39,496</u>
	<u>40,469</u>	<u>82</u>	<u>(1,493)</u>	<u>438</u>	<u>39,496</u>
<b>Total restricted funds</b>	<u>32,600</u>	<u>14,785</u>	<u>(16,397)</u>	<u>(352)</u>	<u>30,636</u>
<b>Unrestricted funds</b>					
Unrestricted funds	<u>612</u>	<u>469</u>	<u>(364)</u>	<u>-</u>	<u>717</u>
<b>Total unrestricted funds</b>	<u>612</u>	<u>469</u>	<u>(364)</u>	<u>-</u>	<u>717</u>
<b>Total funds</b>	<u>33,212</u>	<u>15,254</u>	<u>(16,761)</u>	<u>(352)</u>	<u>31,353</u>

The academy trust is not subject to GAG carried forward limits.

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

**General Annual Grant (GAG)**

Funds must be used for the normal running costs of the trust. Under the master funding agreement with the Secretary of State, the trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2020.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED AUGUST 2020**

**19. FUNDS – continued**

**Other restricted general funds**

Funding is provided by government grants in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities.

**Restricted fixed asset funds**

Funding is provided by way of government grants or capital expenditure from the GAG or unrestricted funds in order to acquire specified fixed assets for use by the trust in achieving its educational objectives.

**Unrestricted funds**

Unrestricted funds can be used for any purpose at the discretion of the trust.

**Transfers**

A transfer of £438,000 was made in the period from GAG funds in the restricted general funds to the restricted fixed asset capital funds. This transfer brings the restricted fixed asset and capital funds in line with long term loan repayments due which were used to purchase major fixed asset expenditure. (2019: £64,000 restricted general funds and £316,000 of unrestricted funds to restricted fixed asset funds).

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, Losses and Transfers £'000	Balance at 31 August 2019 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(39)	12,160	(12,096)	(25)	-
Other government grants	-	1,670	(1,670)	-	-
Other DfE/ESFA grants	27	784	(784)	(27)	-
Other restricted funding	12	29	(29)	(12)	-
Pension reserve	(5,159)	-	(594)	(2,116)	(7,869)
	<u>(5,159)</u>	<u>14,643</u>	<u>(15,173)</u>	<u>(2,180)</u>	<u>(7,869)</u>
<b>Restricted fixed asset funds</b>					
Assets	<u>35,823</u>	<u>5,657</u>	<u>(1,391)</u>	<u>380</u>	<u>40,469</u>
	<u>35,823</u>	<u>5,657</u>	<u>(1,391)</u>	<u>380</u>	<u>40,469</u>
<b>Total restricted funds</b>	<u>30,664</u>	<u>20,300</u>	<u>(16,564)</u>	<u>(1,800)</u>	<u>32,600</u>
<b>Unrestricted funds</b>					
Unrestricted funds	<u>798</u>	<u>724</u>	<u>(594)</u>	<u>(316)</u>	<u>612</u>
<b>Total unrestricted funds</b>	<u>798</u>	<u>724</u>	<u>(594)</u>	<u>(316)</u>	<u>612</u>
<b>Total funds</b>	<u>31,462</u>	<u>21,024</u>	<u>(17,158)</u>	<u>(2,116)</u>	<u>33,212</u>

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED AUGUST 2020**

**19. FUNDS – continued**

**Analysis of academies by fund balance**

Fund balances at 31 August were allocated as follows:

	2020 £'000	2019 £'000
Martello Primary	269	126
Morehall Primary	(164)	(105)
Folkestone Academy	25	88
Turner Free School	101	(58)
Turner Schools MAT	616	561
Total before fixed assets and pension reserve	847	612
Restricted fixed asset fund	39,496	40,469
Pension reserve	(8,990)	(7,869)
Total	31,353	33,212

Morehall Primary school is carrying a deficit of £164K (2019 £105K) on these funds because there was an 2018/2019, 2019/2020 strategic school improvement plan which resulted in a 'Good' Ofsted rating. The school has a £30k 2020/2021 surplus budget to start to reverse the negative reserves balance.

**Total cost analysis by academy**

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Depreciation) £'000	Total £'000
Martello Primary	609	126	44	85	864
Morehall Primary	745	117	23	98	983
Folkestone Academy	6,755	1,385	726	1,231	10,097
Turner Free School	1,219	232	97	216	1,764
Turner Schools MAT	181	1,063	39	277	1,560
	9,509	2,923	929	1,907	15,268

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Depreciation) £'000	Total £'000
Martello Primary	657	92	37	165	951
Morehall Primary	700	90	41	110	941
Folkestone Academy	7,347	1,335	874	1,498	11,054
Turner Free School	605	136	72	234	1,047
Turner Schools MAT	493	966	62	253	1,774
	9,802	2,619	1,086	2,260	15,767

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED AUGUST 2020**

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	40,384	40,384
Current assets	717	1,548	-	2,265
Current liabilities	-	(1,418)	(109)	(1,527)
Non-current liabilities	-	-	(779)	(779)
Pension scheme liability	-	(8,990)	-	(8,990)
Total net assets	<u>717</u>	<u>(8,860)</u>	<u>39,496</u>	<u>31,353</u>

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

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	41,469	41,469
Current assets	612	1,408	-	2,020
Current liabilities	-	(1,385)	(111)	(1,496)
Non-current liabilities	-	(23)	(889)	(912)
Pension scheme liability	-	(7,869)	-	(7,869)
Total net assets	<u>612</u>	<u>(7,869)</u>	<u>40,469</u>	<u>33,212</u>

**21. 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.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**22. PENSION AND SIMILAR OBLIGATIONS**

The trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, 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 related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £208,705 (2019 £nil) were payable to the schemes at 31 August 2020 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,224,307 (2019: £808,000).

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



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**22. PENSION AND SIMILAR OBLIGATIONS – continued**

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2020 was £732,288 (2019: £704,000), of which employer's contributions totalled £571,450 (2019: £544,000) and employees' contributions totalled £160,839 (2019: £160,000). The agreed contribution rates for future years are 21% from April 2021, rising to 22.5% from April 2022 for employers and between 5.5 per cent and 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy trust 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**

	31.08.20	31.08.19
Discount rate	1.6%	1.9%
Price increases	2.25%	2.15%
Future salary increases	3.25%	3.65%
Future pension increases	2.25%	2.15%
Commutation of pension to lump sums	50.0%	50.0%

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

	31.08.20	31.08.19
<b>Retiring today</b>		
Males	21.8	22.1
Females	23.8	24.0
<b>Retiring in 20 years</b>		
Males	23.2	23.7
Females	25.2	25.8

**Sensitivity analysis**

Change in assumptions:	Increase in obligation at 31 August 2020 £,000	Increase in obligation at 31 August 2019 £,000
0.1% decrease in real discount rate	1,392	1,253
1 year increase in member life expectancy	1,394	1,258
0.1% increase in the salary increase rate	1,347	1,217
0.1% increase in the pension increase rate	1,391	1,253

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED AUGUST 2020**

**22. PENSION AND SIMILAR OBLIGATIONS - continued**

**Local Government Pension Scheme - continued**

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	5,868	6,082
Gilts	61	64
Other bonds	1,170	805
Property	995	1,040
Cash/liquidity	276	238
Absolute Return Fund	690	693
<b>Total market value of assets</b>	<b>9,060</b>	<b>8,922</b>
Present value of scheme liabilities		
- Funded	(18,050)	(16,791)
<b>Deficit in the scheme</b>	<b>(8,990)</b>	<b>(7,869)</b>

The total return on the fund assets for the period to 31 August 2020 is £684,000 (2019: £371,000).

**The amounts recognised in the Statement of Financial Activities are as follows:**

	31.08.20 £'000	31.08.19 £'000
Current service cost (net of employee contributions)	(1,196)	(1,033)
Interest income	175	222
Interest cost	(319)	(354)
Administration expense	(5)	(4)
<b>Total operating charge</b>	<b>(1,345)</b>	<b>(1,169)</b>
Recognised in other gains / losses:		
Re-measurement (losses) / gains	(352)	(2,116)
<b>Total gain / (cost) recognised</b>	<b>(1,697)</b>	<b>(3,285)</b>

The actuarial re-measurements for the current year are recognised in the Statement of Financial Activities.

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**22. PENSION AND SIMILAR OBLIGATIONS - continued**

**Local Government Pension Scheme – continued**

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

	31.08.20 £'000	31.08.19 £'000
Opening defined benefit obligation	16,791	13,052
Current service cost	1,196	1,033
Employee contributions	160	157
Interest cost	319	354
Past service cost	-	173
Change in demographic assumptions	(478)	(765)
Estimated benefits paid net of transfers in	(144)	(70)
(Gains)/losses on changes in financial assumptions	1,684	2,857
Experience loss/(gain) on defined benefit obligation	(1,478)	-
	<u>18,050</u>	<u>16,791</u>

Changes in the fair value of the trust's share of scheme assets were as follows:

	31.08.20 £'000	31.08.19 £'000
Opening fair value of scheme assets	8,922	7,893
Employer contributions	576	575
Employee contributions	160	157
Interest on plan assets	175	222
Estimated benefits paid plus unfunded net of transfers in	(144)	(70)
Administration expenses	(5)	(4)
Return on plan assets (excluding net interest on the net defined benefit liability)	509	149
Other actuarial gains/(losses)	(1,133)	-
	<u>9,060</u>	<u>8,922</u>

**23. RELATED PARTY TRANSACTIONS**

Owing to the nature of the trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

**TURNER SCHOOLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**23. RELATED PARTY TRANSACTIONS – continued**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclose in note 11.

**24. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2020 the trust received £23,139 (2019: £32,899) and disbursed £35,173 (2019: £22,731). A balance of £13,588 is held in other creditors (2019: £25,623).

**25. EVENTS AFTER THE END OF THE REPORTING PERIOD**

The trust is continuing to benefit from the ESFA's Free School building programme for the construction of Turner Free School. The trust took control of the school on the 1 September 2018.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
TURNER SCHOOLS AND THE EDUCATION AND SKILLS FUNDING AGENCY**

**Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 10 July 2019 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2019 to 2020, to obtain limited assurance about whether the expenditure disbursed and income received by Turner Schools during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Basis for conclusion**

The framework that has been applied is set out in the Academies Accounts Direction 2019 to 2020 Annex B: Regularity Reporting. We are independent of Turner Schools in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

**Responsibilities of Turner Schools' accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Turner Schools' funding agreement with the Secretary of State for Education dated 21 December 2016 and the Academies Financial Handbook extant from 1 September 2019, 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Turner Schools and appointment of the accounting officer.

**Reporting Accountant's responsibilities for reporting on regularity**

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 2019 to 2020.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2019 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and

procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2019 to 2020.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

#### **Use of our report**

This report is made solely to Turner Schools and the ESFA in accordance with the terms of our engagement letter dated 10 July 2019. Our work has been undertaken so that we might state to the Turner Schools and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Turner Schools and the ESFA, for our work, for this report, or for the conclusion we have formed.

*RSM UK Audit LLP*

**RSM UK Audit LLP**  
Chartered Accountants  
Portland  
25 High Street  
Crawley  
West Sussex  
RH10 1GB

Date: *17 December 2020*.