

**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

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<b>Members</b>	Julian Charles Ould Gill Golder Douglas Dettmer Yvonne Short Isabel Cherrett (appointed 5 July 2017)
<b>Trustees</b>	Nicola Dunford, CEO <sup>2,3</sup> Antony Callcut, Executive Principal <sup>2,3</sup> Isabel Cherrett, Chair <sup>1,2,4</sup> Iain Grafton <sup>1,3</sup> Simon Niles <sup>3</sup> Charlotte Power, Deputy Chair <sup>1,3</sup> Fiona Walters <sup>2</sup> Diane Hockin (resigned 10 October 2016) Roy Gillard (appointed 10 October 2016) <sup>2,4</sup> Peter Bethel (appointed 2 October 2017) <sup>1</sup> Cheryl Mathieson (appointed 2 October 2017) <sup>2,4</sup>
	<sup>1</sup> Audit Committee <sup>2</sup> Finance and General Purposes Committee <sup>3</sup> Standards and Curriculum Committee <sup>4</sup> Remuneration Committee
<b>Company registered number</b>	10049068
<b>Company name</b>	Link Academy Trust
<b>Principal and registered office</b>	Landscope C of E Primary School Landscape Ashburton Newton Abbot TQ13 7LY
<b>Corporate secretary</b>	Michelmores Secretaries Woodwater House Pynes Hill Exeter Devon EX2 5WR
<b>Chief executive officer</b>	Nicola Dunford
<b>Senior management team</b>	Nicola Dunford, CEO Antony Callcut, Executive Principal Matt Matthew, Business Manager
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

<b>Bankers</b>	Lloyds Bank plc Chapel Hill 11 Treyew Road Truro Cornwall TR1 3AN
<b>Solicitors</b>	Michelmores LLP Woodwater House Pynes Hill Exeter Devon EX2 5WR

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates six primary academies in Totnes, Newton Abbot and Teign Valley region. Its academies have a combined pupil capacity of 554 and had a roll of 474 in the school census on 6 October 2016 that equates to 85.5pc. Since May 2017 it is also working in a Management Partnership with three primary schools currently forming the Woodleigh Federation, Expression of Interest documents are with the Department for Education (DfE) for these schools to become academies and join the Link Academy Trust. The combined capacity of these 3 schools currently is 215 pupils. It is hoped that these three schools are part of the Multi Academy Trust (MAT) early in 2018.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust was incorporated on 8 March 2016 and opened as an Academy Trust on 1 April 2016. 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 Link Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Link Academy Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**Members' Liability**

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

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Trust. The limit of this indemnity is £10,000,000.

**TRUSTEES**

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

On 1st April 2016 the Members appointed those Trustees that had been recruited and selected to be Trustees of the newly formed Academy Trust. In accordance with the Articles of Association, the Trust's Board of Trustees shall not be less than three and no more than 15. For the period of this report, the Board comprised the Chief Executive Officer (CEO), Executive Principal and six appointed trustees.

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

The Diocese of Exeter is empowered under Articles 48-49 to appoint Trustees.

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

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

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

Over the course of 2016-17 the Trust has developed a Trustee Recruitment, Induction and Training policy that is available from the Clerk and is held on the website.

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

**Organisational Structure**

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

During the period under report, the Board met six times and the committees working within the Board are as follows:

- Finance and General Purposes Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, drafting the annual budget for the Board's approval and, once agreed, monitoring performance against the budget; setting the Trust's staffing establishment based on a staffing needs analysis; the Trust's estate development and maintenance as well as compliance with reporting and regulatory requirements.
- Standards and Curriculum Committee - this meets three times a year to monitor, evaluate and review Trust policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, teaching and learning data and all pastoral issues. Its duties include responsibility for all policies related to Standards and Curriculum. It will monitor pupil performance data and monitor the Trust Improvement Plan. It will also link with Local Governing Bodies (LGBs) regarding the day to day operation of schools. The Committee also monitors the Link Academy website to ensure it complies with statutory requirements. Checking school attendance and all aspects of safeguarding also fall within its duties.
- Remuneration Committee which meets three times a year to deal with all matters relating to pay. The Committee is authorised to approve expenditure within the levels agreed by the Board of Directors, in accordance with the Link Academy Trust's Financial Regulations, funding bodies' and other legal requirements. These duties include the detailed employment arrangements of the Senior Management Team; the Committee conducts the appraisals of the CEO and Executive Principal; pay awards for the Senior Management Team are subject to the approval of the full Board. The Committee is responsible for all HR Policies.
- Audit Committee which meets at least three times a year and is authorised to approve expenditure within the levels agreed by the Board of Directors, in accordance with the Link Academy Trust's Financial Regulations, funding bodies' and other legal requirements. Its duties include the appointment of the Internal Audit Service, setting the annual programme of reviews and receiving reports thereon and ensuring the timely completion of any recommendations. The Committee meets with the External Audit Service at the conclusion of the annual audit to discuss its findings prior to presentation to the Board and will monitor the timely completion of recommendations. The Committee also oversees compliance testing for legionella, health and safety and environmental protection. The Committee scrutinises all audit reviews by the Educational and Skills Funding Agency (ESFA) and monitors the completion of recommendations. Overall it also takes responsibility for the Audit and Annual Risk Management Plan and all aspects of Business Recovery.

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

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**Communication and Reporting Procedures**

The minutes of the committees' meetings will be circulated to the next meeting of the Board of Directors. Subject to any items deemed confidential, the Minutes will be made available to the schools within the Trust once agreed by the Chair and then posted on the website once formally approved at the next meeting.

**Clerking Arrangements**

The Clerk to the Board of Directors will be the Clerk of the Committee.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chairperson and/or Vice Chairperson, to appoint the CEO, Executive Principal and Clerk to the Trustees, to approve the Annual MAT Development Plan and budget.

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

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Trust to the CEO, Executive Principal and Business Manager, known as the Senior Management Team (SMT) in collaboration with Heads of Schools.

The Trust has a leadership structure which consists of the Members, Trustees, Governors and SMT. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The CEO, Business Manager and Finance and General Purposes Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to budget holders which must be authorised in line with the Scheme of Delegation. The Executive Principal and CEO are responsible for the appointment of staff, through appointment panels for teaching posts that always include a Director.

The Academy Trust comprises six primary schools, Bearnes, Diptford, Harbertonford, Hennock, Landscope and Stoke Gabriel. Each academy has its own LGB – Newton and Teign or Totnes which is responsible for day to day operations relating to learning and teaching. The Trust Board comprises up to fifteen Directors that are separate from the Local Governing Bodies. It is also in a Management Partnership agreement with three primary schools of the Woodleigh Federation, Cheriton Bishop, Tedburn St Mary and Yeoford. The Federation has its own Local Governing Body.

The Chief Executive is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

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

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

The Trustees benchmark against pay levels in other Academies of a similar size.

**Connected Organisations, including Related Party Relationships**

The Trust has strong collaborative links across the six primary schools forming the MAT and with primary schools which form the Totnes, Teign Valley and Newton Abbot learning communities. It is also establishing a close working relationship with Cheriton Bishop, Tedburn St Mary and Yeoford and developing links with schools and Federations in the Crediton locality.

There are no related parties which either control or significantly influence the decisions and operations of Link Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Trust.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and Aims**

The principal object and activity of the Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing six primary academies, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on inclusion, a supporting network of teaching and learning expertise to deliver high level experiential learning.

The aims of the Trust during the 1 September 2016 to 31 August 2017 financial year are summarised below:

- continue to raise the standard of educational attainment and achievement of all pupils.
- provide an inspirational broad and balanced curriculum, enhanced through regular experiential opportunities, to develop students as more effective, independent and aspirational learners
- enhance the preschool provision and outcomes
- develop the individual Academy sites to enable students to achieve their full potential
- ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care which is tailored to fully meet their individual needs
- improve the effectiveness of the Academies by keeping the curriculum and organisational structure under continual review
- maximise the number of students who achieve age related expectations or above at KS1 and KS2
- provide value for money for the funds expended
- develop the Inclusion Hub located at Beames Primary school to ensure specialist provision for SEND children across the six academies and three primaries in the Management Partnership in the form of bespoke staff training and access to professional third party organisations
- work closely with families and the community in order to enhance further the outcomes for children
- develop greater coherence, clarity and effectiveness in school systems
- comply with all appropriate statutory and curriculum requirements
- maintain close links with industry and commerce
- develop the Trust's capacity to manage change
- conduct the Trust's business in accordance with the highest standards of integrity, probity and openness and
- grow the Multi Academy Trust through the capacity of the current Academies and also encouraging schools to convert to Academy status and join the MAT.

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

### **Objectives, Strategies and Activities**

Key priorities for the period 1st September 2016 to 31st August 2017 are contained in our MAT Improvement Plan which is available from the Trust Head Office. Improvement foci identified for this year included:

**Leadership and Management** including improved quality of provision, developing leadership capacity and a consistent approach to staff appraisal and training/ Continuing Professional Development (CPD). Leaders will seek to improve IT, school and classroom environments alongside closer working with governance to support improved outcomes for children.

**Quality of Teaching and Learning** - specifically addressing standards in maths, writing, phonics and reading, through a creative curriculum, using refined tracking. Standards in computing will also be addressed throughout the year.

**Personal Development and Welfare** - establishing a strong culture of social, emotional and moral values through an enhanced support system, involving families and ensuring robust safeguarding procedures are applied.

**Inclusion Hub** expansion to support both MAT schools and others.



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

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Outcomes for pupils – these focussed on ensuring pupils achieve and progress consistently through the continued development of rigorous provision mapping for SEND pupils, improved provision for and judgement of 'depth of learning', focusing on the attainment gap, especially for specific groups of children.

Alongside the above, all individual Academies continued during the 2016-17 academic year to complete their Improvement Plans which are specific to the individual needs of the setting. These were focused on the four areas that Ofsted use for their inspection of schools – Overall effectiveness; Effectiveness of leadership and management; Personal development, behaviour and welfare; Quality of teaching, learning and assessment and Outcomes for pupils.

This is the first complete year of a Link MAT Improvement Plan and it was established through collaboration and consultation with the Heads of School across the MAT. The Link MAT Improvement Plan operates alongside the individual Academy plans which address specific areas required for the individual settings, all of which will take into consideration any issues related to the standards, achievement and progress reflected in the end of year data.

**Public Benefit**

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

The Trust aims to advance for the public benefit, education in Totnes, Newton Abbot and Teign Valley and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and developing schools, offering a broad primary curriculum.

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

**STRATEGIC REPORT**

**Achievements and Performance  
Headline success rates**

Link Academy Trust KS2 SATS Analysis 2017, percentage of pupils achieving the Expected Standard. SPAG – Spelling, Punctuation and Grammar.

The aim of the Trust is to continue to implement a full plan of growth and expansion including a proactive PR and marketing campaign, open events and exploring transport opportunities for those parents located in the more rural areas to enhance the already inclusive nature of our schools. In parallel with this development, the Trust will continue to strengthen its links with surrounding preschool providers and develop its own provision within schools as Foundation Units. Our aim is to achieve 95pc capacity within the next two years.

The Inclusion Hub, established from the inauguration of the MAT has extended its remit and now supports schools within the MAT and also 14 schools in the Newton Abbot area and more recently Teignbridge schools (12). It provides training and support for SENCOs, teachers and teaching assistants thereby developing their effectiveness to support vulnerable and challenging pupils. The six Academies have worked diligently to maintain small class sizes that include at least one teaching assistant, which is a valuable resource to the enhanced teaching and learning delivery in the classroom. This necessitated a restructuring within one school.

Every school is well supported by parent volunteers who are increasingly developing their income generation skills alongside supporting activities within schools. All of the Academy schools are currently judged to be Good or Outstanding by OFSTED.

The Academy Trust was successful with one of its six Condition Improvement Fund bids which has resulted in a complete refurbishment of the mechanical and electrical services at Stoke Gabriel Primary School. All schools have seen improvements in general maintenance and decoration over the year and grants for individual projects amounting to over £54,000 have been achieved through a dedicated member of staff focusing on bidding for one

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

day per week. The construction and equipping of a completely new Foundation Stage Unit at Diptford has been completely funded by donations; grants achieved by the Trust, independently of the other funding income generation for projects, remains a clear strength. It is the intention to develop this element of the Central Business function even further.

To ensure standards are continually assessed, the Academies operate a mutual termly learning walk programme of lesson observations, book scrutiny and data analysis reviews that are undertaken by the Heads of Schools, the CEO and Executive Principal. From this, teachers and support staff receive feedback and internal programmes of continuous professional development are run for identified staff.

The Link Academy has continued to work with a number of individual schools and small federations to promote the ethos and vision that drives the Trust which has resulted in working in the Management Partnership agreement with Woodleigh Federation. The Trust expects to develop further links with schools in the geographical area and focus on collaborating with federations of small schools.

<b>KS2 - Yr6</b>	<b>No of pupils</b>	<b>% per pupil</b>	<b>% Combined R/W/M</b>	<b>% Writing</b>	<b>% Reading</b>	<b>% Maths</b>	<b>% SPAG*</b>
All Schools	67	1.50	-	68.2	86.2	81.5	75.4
Bearnes	10	10.00	20	50	50	60	30
Diptford	12	8.33	58	58.3	100	75	83
Harertonford	11	9.09	55	73	82	73	64
Hennock	7	14.2	71	71.4	100	100	100
Landscope	13	7.69	82	90.9	92.3	90.9	90.9
Stoke Gabriel	14	7.14	78.6	86	92.9	92.9	86

**Key Performance Indicators**

The Trust is working with its appointed accountants and has started to develop a full range of KPI's, including percentage carry forward, pupil/teacher ratio, staffing costs versus General Academic Grant (GAG)/income. It is anticipated that these will be extended over 2017-18 and a Balanced Scorecard will also be introduced to support the Trust's activities.

**Going Concern**

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

**FINANCIAL REVIEW**

**Financial Review**

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which 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 useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2017, the Trust received total income of £3,227,498 and incurred total expenditure of £3,196,198. The excess of income over expenditure for the year was £31,300.

At 31 August 2017 the net book value of fixed assets was £4,418,907 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and

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

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the associated support services to the pupils of the Trust.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, CEO, Executive Principal, Business Manager, Heads of Schools, Administrators, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

**Reserves Policy**

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review. This is reviewed on a continual basis and, where possible, funds will be invested and/or used for capital expenditure to promote and develop the individual school sites. The Trustees have set a target of maintaining two months of operating costs (£350k) as free reserves with a further £120k being designated and set aside for future MAT growth and development. Current free reserves are £360,595.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

**Investment Policy**

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

**Principal Risks And Uncertainties**

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

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

**Financial** - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 85% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

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

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

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succession planning.

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

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

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

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

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

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

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

**PLANS FOR FUTURE PERIODS**

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

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

As two important capital funding bids for building improvements were unsuccessful, the Trust will commence exploring the possibility of independently raising funds for the construction of a new mezzanine floor at Beames Primary school. The building of a preschool area, at Diptford Primary school commenced during the summer break as a result of private funding which has led to the restructuring of the school into four classes for 2017-18 and the creation of a Foundation Unit which is expected to ensure the school's ongoing sustainability.

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

We have been successful in establishing an effective working partnership with the schools of Woodleigh Federation; we will continue to look at opportunities to work with other schools to build the Trust based on geographical 'hubs'.

We have a Capacity Growth Plan in place to ensure the MAT expands in order to offer a more efficient, highly

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

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skilled and effective unit which ensure high quality education is viable for the small schools we serve.

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

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

**AUDITORS**

In so far as the Trustees are aware:

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

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

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 11/12/17 and signed on the board's behalf by:



**Isabel Cherrett  
Chair of Trustees**

**LINK ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

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

**GOVERNANCE**

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

Trustee	Meetings attended	Out of a possible
Antony Callcut, Executive Principal	6	6
Charlotte Power, Deputy Chair	6	6
Diane Hockin	0	0
Fiona Walters	3	6
Iain Grafton	4	6
Isabel Cherrett, Chair	6	6
Nicola Dunford, CEO	6	6
Roy Gillard	6	6
Simon Niles	5	6

The Finance & General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Oversee preparation of Budget and recommendation to Board
- Periodically monitor actual v budget (quarterly)
- Give consideration to draft accounts and recommendation to Board
- Maintain oversight of financial policies: Treasury Management
- Oversee the Maintenance Plan, Environment/Energy and Health & Safety

During the period to 31 August 2017, one trustee joined the committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Roy Gillard	4	4
Nicola Dunford, CEO	4	4
Antony Callcut, Executive Principal	4	4
Isabel Cherrett, Chair	4	4
Fiona Walters	1	4
Cheryl Mathieson	0	0

In October 2017, the Members appointed Ms Cheryl Mathieson as a Director; she has a background in HR and has been appointed to the Finance & General Purposes and Remuneration Committees.

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor compliance testing for Legionella, Health & Safety, Environmental Protection and DBS checks.

**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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During the period to 31 August 2017, three meetings of this committee were held.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Charlotte Power	3	3
Isabel Cherrett	3	3
Iain Grafton	1	3
Peter Bethel	0	0

The Members appointed a new Director, Peter Bethel, in October 2017; he has a background in finance and joined the Audit Committee, enabling the Chair of Directors to step down. The CEO attends the Audit Committee as an Officer.

The Remuneration Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor:

- Staffing Needs & Budget
- Appraisal arrangements and remuneration of senior Link Academy Trust
- HR Policies:
  - o Performance Management
  - o Equality & Diversity
  - o Adoption
  - o Staff Absence and Discipline
  - o Staff Grievance
  - o CPD
  - o Public Interest Disclosure (Whistle-blowing)
  - o Maternity
  - o Maternity & Adoption Support Leave
  - o Sickness Absence
  - o Flexible Working

During the period to 31 August 2017, three meetings of this committee were held.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Isabel Cherrett	3	3
Roy Gillard	3	3
Cheryl Mathieson	0	0

The Standards & Curriculum Committee is a sub-committee of the main Board of Trustees. Its purpose is to be:

- Responsibility for all policies related to Standards and Curriculum e.g. EYFS, School Behaviour, Sex & Relationships, SEND, Behaviour Principle, Home School Agreement, Child Protection, Teaching & Learning, Assessment, Literacy, Numeracy & Marking
- Monitor pupil performance data from detailed 'group' reports, including by year, gender, PP etc across The Link Academy to look at progress, achievement, attainment and identified areas for improvement. Case studies will be included in the data provided
- Monitor the Academy Improvement Plan in collaboration with the Executive Principal and Heads of School for impact.
- Link with the LGB regarding day to day operation of schools
- Overview of the School Curriculum to ensure its comprehensive delivery.
- Monitor The Link Academy website to ensure it complies with statutory requirements.
- Understanding of school attendance across The Link Academy, ensuring systems and procedures fulfil statutory requirements, especially around children missing from education.
- Monitor safeguarding procedures across The Link Academy to ensure duty of care.

During the period to 31 August 2017, three joined the committee. Two meetings of this committee were held during this period; one representative from each of the two local governing bodies attended meetings by

**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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invitation.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Iain Grafton	2	2
Antony Callcut	2	2
Nicola Dunford	1	2
Simon Niles	2	2
Charlotte Power	2	2
David Gay	2	2
Linette Avery	2	2

**REVIEW OF VALUE FOR MONEY**

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

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

- Robust financial governance and budget management, through the employment of a full time Trust Business Manager.
- Value for money purchasing, examples include IT purchasing, reviewing the use of supply staff and staffing structures, and service level agreements with Intoheat, Babcock and other local contractors. Examples include the provision of a single photocopier contract for 4 schools creating a £2,000 saving; central procurement of annual stationery creating a £4,000 saving and the replacement of administrator computers offering a £3,000 saving.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Deploying staff effectively including the roles of administrators in each academy.
- Reviewing quality of curriculum provision and quality of teaching through the establishment of a trust wide SMT.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress through the inter-academy learning walks to raise standards.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks of the achievement of Academy 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.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1st September 2016 to 31st August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.



**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and appointed St Kew Accountancy as internal auditor effective October 2016. The ESFA's Financial Management Governance Self Evaluation (FMGS) was completed and was followed up by a financial management review by the ESFA.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. A full programme of checks, based on quarterly visits, for the financial year 2017-18 was agreed and included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank account reconciliations

On a quarterly basis, the auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

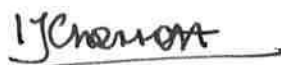
As Accounting Officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period the review has been informed by:

- The work of the external audit provided by the Trust's accountants
- The work of the assurance report provided by St Kew Accountancy
- The financial management and governance self-assessment process
- The work of the Trust Business Manager to the Board who has daily responsibility for the development and maintenance of the internal control framework that include:
  - o Full monthly management reports
  - o The introduction of rolling checks and controls taken from the FMGS evaluation.

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

Approved by order of the members of the Board of Trustees on 11/12/17

and signed on their behalf, by:

  
Isabel Cherrett  
Chair of Trustees

  
Nicola Dunford  
Accounting Officer

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of Link Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

**Nicola Dunford  
Accounting Officer**

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

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

---

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

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

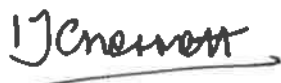
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**Isabel Cherrett  
Chair of Trustees**

Date: 11/12/17

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LINK ACADEMY TRUST**

---

**OPINION**

We have audited the financial statements of Link Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**OTHER INFORMATION**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LINK ACADEMY TRUST**

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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

**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LINK ACADEMY TRUST**

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

*Bishop Fleming LLP*

Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 15/12/17

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LINK ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 02/10/15 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Link Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Link Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Link Academy Trust 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 Link Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LINK ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Link Academy Trust's funding agreement with the Secretary of State for Education dated 29/03/16, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LINK ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**CONCLUSION**

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



Pamela Tuckett FCA DChA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

Date: 15/12/17



**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

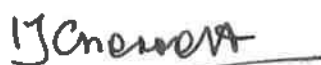
	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Transfers on conversion	2	-	-	-	-	4,573,579
Other donations and capital grants	2	29,510	242,774	233,491	505,775	89,491
Charitable activities	3	211,908	2,496,730	-	2,708,638	1,341,815
Other trading activities	4	12,652	-	-	12,652	5,233
Investments	5	433	-	-	433	202
<b>TOTAL INCOME</b>		<b>254,503</b>	<b>2,739,504</b>	<b>233,491</b>	<b>3,227,498</b>	<b>6,010,320</b>
<b>EXPENDITURE ON:</b>						
Raising funds		-	-	-	-	2,148
Charitable activities		288,296	2,784,218	123,684	3,196,198	1,378,644
<b>TOTAL EXPENDITURE</b>	6	<b>288,296</b>	<b>2,784,218</b>	<b>123,684</b>	<b>3,196,198</b>	<b>1,380,792</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>(33,793)</b>	<b>(44,714)</b>	<b>109,807</b>	<b>31,300</b>	<b>4,629,528</b>
Transfers between Funds	19	(43,705)	73,546	(29,841)	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(77,498)</b>	<b>28,832</b>	<b>79,966</b>	<b>31,300</b>	<b>4,629,528</b>
Actuarial gains/(losses) on defined benefit pension schemes	23	-	56,000	-	56,000	(237,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>(77,498)</b>	<b>84,832</b>	<b>79,966</b>	<b>87,300</b>	<b>4,392,528</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		301,063	(331,136)	8,818,642	8,788,569	-
Prior year adjustment (Note 18)		-	-	(4,396,041)	(4,396,041)	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>223,565</b>	<b>(246,304)</b>	<b>4,502,567</b>	<b>4,479,828</b>	<b>4,392,528</b>

The notes on pages 26 to 48 form part of these financial statements.

**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 10049068**  
**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	As restated 2016 £
<b>FIXED ASSETS</b>					
Tangible assets	14		4,418,907		4,338,724
<b>CURRENT ASSETS</b>					
Debtors	15	116,740		180,678	
Cash at bank and in hand		875,053		670,955	
		<u>991,793</u>		<u>851,633</u>	
<b>CREDITORS: amounts falling due within one year</b>	16	<u>(360,872)</u>		<u>(274,829)</u>	
<b>NET CURRENT ASSETS</b>			<u>630,921</u>		<u>576,804</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,049,828</u>		<u>4,915,528</u>
Defined benefit pension scheme liability	23		<u>(570,000)</u>		<u>(523,000)</u>
<b>NET ASSETS</b>			<u><u>4,479,828</u></u>		<u><u>4,392,528</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	19	323,696		191,864	
Fixed asset funds	19	4,502,567		4,422,601	
		<u>4,826,263</u>		<u>4,614,465</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(570,000)</u>		<u>(523,000)</u>	
Total restricted funds			<u>4,256,263</u>		<u>4,091,465</u>
Unrestricted funds	19		<u>223,565</u>		<u>301,063</u>
<b>TOTAL FUNDS</b>			<u><u>4,479,828</u></u>		<u><u>4,392,528</u></u>

The financial statements on pages 23 to 48 were approved by the Trustees, and authorised for issue, on 11/12/17 and are signed on their behalf, by:



Isabel Cherrett  
Chair of Trustees

The notes on pages 26 to 48 form part of these financial statements.

**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>Note</b>	<b>2017 £</b>	<b>As restated 2016 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	<b>214,021</b>	<b>47,338</b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>433</b>	<b>202</b>
Purchase of tangible fixed assets		<b>(203,867)</b>	<b>(5,875)</b>
Capital grants from DfE/ESFA		<b>193,511</b>	<b>213,137</b>
Cash transferred on conversion from the local authority		<b>-</b>	<b>416,153</b>
<b>Net cash (used in)/provided by investing activities</b>		<b>(9,923)</b>	<b>623,617</b>
<b>Change in cash and cash equivalents in the year</b>		<b>204,098</b>	<b>670,955</b>
Cash and cash equivalents brought forward		<b>670,955</b>	<b>-</b>
<b>Cash and cash equivalents carried forward</b>	22	<b>875,053</b>	<b>670,955</b>

The notes on pages 26 to 48 form part of these financial statements.

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

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Link Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 GOING CONCERN**

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

**1.3 INCOME**

All income is recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of 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 when there is unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the Academy Trust has provided the goods and services.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE**

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	Land: 125 years/Lease term, Buildings: 50 years
Fixtures and fittings	-	4 years straight line
Computer equipment	-	3 years straight line

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

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the Local Authority schools. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.6 DEBTORS**

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

**1.7 LIABILITIES AND PROVISIONS**

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

**1.8 FINANCIAL INSTRUMENTS**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost 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 costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.9 TAXATION**

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

**1.10 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method.

As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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**1. ACCOUNTING POLICIES (continued)**

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

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

**1.11 OPERATING LEASES**

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

**1.12 FUND ACCOUNTING**

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

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

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

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Transfers on conversion	-	-	-	-	4,573,579
Donations	29,510	242,774	39,980	312,264	54,769
Capital Grants	-	-	193,511	193,511	29,931
Grants	-	-	-	-	4,791
	<u>29,510</u>	<u>242,774</u>	<u>233,491</u>	<u>505,775</u>	<u>89,491</u>
	<u>29,510</u>	<u>242,774</u>	<u>233,491</u>	<u>505,775</u>	<u>4,663,070</u>
<b>Total 2016</b>	<u>353,465</u>	<u>(218,281)</u>	<u>4,527,886</u>	<u>4,663,070</u>	



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**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Education	116,382	2,496,730	2,613,112	1,304,101
Nursery	95,526	-	95,526	37,714
	<u>211,908</u>	<u>2,496,730</u>	<u>2,708,638</u>	<u>1,341,815</u>
<i>Total 2016</i>	<u>71,258</u>	<u>1,270,557</u>	<u>1,341,815</u>	

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	2,132,826	2,132,826	895,343
Start up Grants	-	-	-	240,000
Other DfE/ESFA grants	-	260,296	260,296	114,876
	<u>-</u>	<u>2,393,122</u>	<u>2,393,122</u>	<u>1,250,219</u>
<b>Other Government grants</b>				
High Needs	-	64,508	64,508	12,785
Other Government grants non capital	-	39,100	39,100	7,292
	<u>-</u>	<u>103,608</u>	<u>103,608</u>	<u>20,077</u>
<b>Other funding</b>				
Internal catering income	58,142	-	58,142	15,298
Sales to students	11,352	-	11,352	2,345
Other	46,888	-	46,888	16,162
	<u>116,382</u>	<u>-</u>	<u>116,382</u>	<u>33,805</u>
	<u>116,382</u>	<u>2,496,730</u>	<u>2,613,112</u>	<u>1,304,101</u>
<i>Total 2016</i>	<u>33,805</u>	<u>1,270,296</u>	<u>1,304,101</u>	

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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	282	282	259
Fees received	12,370	12,370	4,974
	<u>12,652</u>	<u>12,652</u>	<u>5,233</u>
<i>Total 2016</i>	<u>5,233</u>	<u>5,233</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	433	433	202
	<u>202</u>	<u>202</u>	
<i>Total 2016</i>	<u>202</u>	<u>202</u>	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	As restated Total 2016 £
Expenditure on fundraising trading	-	-	-	-	2,148
Education:					
Direct costs	1,736,272	-	287,795	2,024,067	867,282
Support costs	297,437	180,260	602,086	1,079,783	439,745
Nursery:					
Direct costs	97,174	-	(13,386)	83,788	32,779
Support costs	-	8,560	-	8,560	6,251
	<u>2,130,883</u>	<u>188,820</u>	<u>876,495</u>	<u>3,196,198</u>	<u>1,348,205</u>
<i>Total 2016</i>	<u>832,870</u>	<u>104,136</u>	<u>411,199</u>	<u>1,348,205</u>	

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**7. DIRECT COSTS**

	Education	Nursery	Total	As restated
	£	£	2017	Total
			£	2016
				£
Pension income	5,000	-	5,000	2,000
Educational supplies	69,141	-	69,141	29,421
Examination fees	-	-	-	430
Staff development	29,883	-	29,883	5,808
Other costs	41,914	-	41,914	22,163
Supply teachers	15,795	-	15,795	17,948
Technology costs	60,503	-	60,503	37,856
Wages and salaries	1,426,115	71,567	1,497,682	584,624
National insurance	64,122	2,880	67,002	47,836
Pension cost	232,745	9,341	242,086	104,150
Depreciation	78,849	-	78,849	47,825
	<u>2,024,067</u>	<u>83,788</u>	<u>2,107,855</u>	<u>900,061</u>
<i>Total 2016</i>	<u>867,282</u>	<u>32,779</u>	<u>900,061</u>	

**8. SUPPORT COSTS**

	Education	Nursery	Total	As restated
	£	£	2017	Total
			£	2016
				£
Pension income	5,000	-	5,000	2,000
Other costs	-	-	-	843
Recruitment and support	9,931	-	9,931	1,708
Maintenance of premises and equipment	49,608	1,490	51,098	28,431
Cleaning	55,107	1,442	56,549	23,667
Rent and rates	100,557	594	101,151	55,319
Energy costs	36,501	940	37,441	5,422
Insurance	12,064	167	12,231	9,602
Security and transport	14,771	-	14,771	3,569
Catering	150,339	3,273	153,612	50,651
Technology costs	37,668	-	37,668	5,118
Office overheads	28,148	654	28,802	11,757
Legal and professional	69,136	-	69,136	55,371
Bank interest and charges	422	-	422	313
Improvements to Diocesan-controlled property	141,605	-	141,605	-
Governance	25,653	-	25,653	89,040
Wages and salaries	208,895	-	208,895	59,982
National insurance	7,048	-	7,048	3,119
Pension cost	82,495	-	82,495	15,211
Depreciation	44,835	-	44,835	57,460
	<u>1,079,783</u>	<u>8,560</u>	<u>1,088,343</u>	<u>478,583</u>
<i>Total 2016</i>	<u>472,332</u>	<u>6,251</u>	<u>478,583</u>	

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

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**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	As restated 2016 £
Depreciation of tangible fixed assets:		
- owned by the Academy Trust	123,684	105,285
Auditors' remuneration - audit	8,800	8,550
Auditors' remuneration - other services	4,850	5,150
Operating lease rentals	2,645	1,730
	<u>139,979</u>	<u>120,715</u>

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**10. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,697,327	644,606
Social security costs	74,050	50,955
Operating costs of defined benefit pension schemes	324,581	119,361
	<u>2,095,958</u>	<u>814,922</u>
Supply teacher costs	25,675	17,948
Staff restructuring costs	9,250	-
	<u><u>2,130,883</u></u>	<u><u>832,870</u></u>

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £8,000. Individually the payments were £8,000 and were funded from General Annual Grant.

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

	2017 No.	2016 No.
Teachers	37	33
Educational Support	42	44
Administration and Clerical	11	7
Management	2	2
	<u>92</u>	<u>86</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	28	25
Educational Support	22	18
Administration and Clerical	9	5
Management	2	2
	<u>61</u>	<u>50</u>

The number of employees whose employee benefits (excluding employers' National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	2	1

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and The Senior Management Team as listed on page 1. The total benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £204,992 (5 month period to 31st August 2016: £63,691).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not

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**10. STAFF COSTS (continued)**

form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management above.

**11. CENTRAL SERVICES**

The Academy Trust has provided the following central services to its academies during the year:

- Finance and administration
- Management costs

The Academy Trust charges for these services on the following basis:

The cost of provision of central services is recharged to the academies on the basis of pupil numbers.

The actual amounts charged during the year were as follows:

	2017 £	2016 (5 months) £
Bearnes Voluntary Primary School	60,885	21,266
Diptford C of E Primary School	57,345	20,029
Harbertonford Primary School	56,637	19,782
Hennock Community Primary School	26,903	9,397
Landscope C of E Primary School	71,504	24,975
Stoke Gabriel Primary School	67,257	23,491
	<u>340,531</u>	<u>118,940</u>
Total		

**12. TRUSTEES' REMUNERATION AND EXPENSES**

The CEO and other staff Trustees only received remuneration in respect of services they provide undertaking the roles of CEO and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustee' remuneration and other benefits was as follows: Mrs N Dunford: Remuneration £60,000 - £65,000 (5 months to 2016: £25,000 - £30,000), Employer's pension contributions £10,000 - £15,000 (5 months to 2016: £0 - £5,000), Mr A Callcut: Remuneration £60,000 - £65,000 (5 months to 2016: £20,000 - £25,000), Employers' pension contributions £10,000 - £15,000 (5 months to 2016: £0 - £5,000).

Other related party transactions involving the trustees are set out in note 27.

During the year ended 31 August 2017, expenses totalling £97 (2016: £381) were reimbursed to two Trustees (2016: 2).

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**13. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. For the year ended 31 August 2017 the cover was provided through the Education & Skills Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the trustee indemnity element is not separately identifiable.

**14. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2016 (as previously stated)	8,804,868	99,015	14,377	8,918,260
Prior year adjustment	(4,474,251)	-	-	(4,474,251)
At 1 September 2016 (as restated)	4,330,617	99,015	14,377	4,444,009
Additions	155,469	10,121	38,277	203,867
At 31 August 2017	4,486,086	109,136	52,654	4,647,876
<b>DEPRECIATION</b>				
At 1 September 2016 (as previously stated)	153,949	24,754	4,792	183,495
Prior year adjustment	(78,210)	-	-	(78,210)
At 1 September 2016 (as restated)	75,739	24,754	4,792	105,285
Charge for the year	78,849	27,284	17,551	123,684
At 31 August 2017	154,588	52,038	22,343	228,969
<b>NET BOOK VALUE</b>				
At 31 August 2017	4,331,498	57,098	30,311	4,418,907
At 31 August 2016 (as restated)	4,254,878	74,261	9,585	4,338,724

A prior year adjustment has been made to remove the land and buildings of those schools where ultimate control falls with the Diocese of Exeter. See note 18.

**15. DEBTORS**

	2017 £	2016 £
Trade debtors	872	46,534
VAT recoverable	38,701	63,532
Other debtors	1,210	-
Prepayments and accrued income	75,957	70,612
	<u>116,740</u>	<u>180,678</u>

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

	2017 £	2016 £
Trade creditors	47,035	97,142
Other taxation and social security	27,049	29,715
Other creditors	31,822	32,483
Accruals and deferred income	254,966	115,489
	<u>360,872</u>	<u>274,829</u>

	2017 £	2016 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2016	115,489	-
Resources deferred during the period	68,501	115,489
Amounts released from previous years	(115,489)	-
	<u>68,501</u>	<u>115,489</u>
Deferred income at 31 August 2017	68,501	115,489

Deferred income relates to grant funding received in advance for the 2017-18 accounting year.

**17. FINANCIAL INSTRUMENTS**

	2017 £	2016 £
Financial assets measured at amortised cost	<u>964,571</u>	<u>814,755</u>
Financial liabilities measured at amortised cost	<u>262,486</u>	<u>159,340</u>

Financial assets measured at amortised cost comprise cash at bank, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

**18. PRIOR YEAR ADJUSTMENT**

Due to clarifications in the Academies Accounts Direction 2016/17 on the treatment of church land and buildings as a fixed asset. The Trust has derecognised the long term leasehold property, previously recognised on the balance sheet. This resulted in a reduction in the balance sheet (and prior year SOFA) of £4,396,041.

In addition a notional rent charge is now included and a corresponding donation from the Diocese to reflect the use of the property totalling £78,210.



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**19. STATEMENT OF FUNDS**

	Brought forward As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>DESIGNATED FUNDS</b>						
MAT Growth and Development	-	-	-	120,000	-	120,000
<b>GENERAL FUNDS</b>						
General Funds	292,080	253,051	(284,346)	(163,705)	-	97,080
PTFA	8,983	1,452	(3,950)	-	-	6,485
	<u>301,063</u>	<u>254,503</u>	<u>(288,296)</u>	<u>(163,705)</u>	<u>-</u>	<u>103,565</u>
Total Unrestricted funds	<u>301,063</u>	<u>254,503</u>	<u>(288,296)</u>	<u>(43,705)</u>	<u>-</u>	<u>223,565</u>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	75,934	2,132,826	(2,008,671)	56,941	-	257,030
Pupil Premium	-	134,489	(134,489)	-	-	-
Academy Conversion Grants	112,319	-	(106,706)	-	-	5,613
Higher Needs	-	63,508	(63,508)	-	-	-
Inclusion Hub	3,811	32,999	(11,264)	-	-	25,346
Inclusion Hub Awards for All	-	10,000	(2,597)	-	-	7,403
G&T Programme	-	25,000	-	-	-	25,000
Foyles	-	6,000	(2,696)	-	-	3,304
Other	-	131,472	(131,472)	-	-	-
Diptford Pre School Build	-	125,000	(141,605)	16,605	-	-
Donated rent on Diocese buildings	-	78,210	(78,210)	-	-	-
Pension reserve	(523,000)	-	(103,000)	-	56,000	(570,000)
	<u>(331,136)</u>	<u>2,739,504</u>	<u>(2,784,218)</u>	<u>73,546</u>	<u>56,000</u>	<u>(246,304)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed Assets transferred on conversion	4,321,141	-	(104,461)	-	-	4,216,680
DfE/ESFA Capital grants	101,460	30,574	(13,504)	(29,841)	-	88,689
Condition Improvement Fund	-	162,937	(3,189)	-	-	159,748
Awards for All	-	39,980	(2,530)	-	-	37,450
	<u>4,422,601</u>	<u>233,491</u>	<u>(123,684)</u>	<u>(29,841)</u>	<u>-</u>	<u>4,502,567</u>
Total restricted funds	<u>4,091,465</u>	<u>2,972,995</u>	<u>(2,907,902)</u>	<u>43,705</u>	<u>56,000</u>	<u>4,256,263</u>
Total of funds	<u>4,392,528</u>	<u>3,227,498</u>	<u>(3,196,198)</u>	<u>-</u>	<u>56,000</u>	<u>4,479,828</u>

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**19. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>DESIGNATED FUNDS</b>						
	-	-	-	-	-	-
<b>GENERAL FUNDS</b>						
General Funds	-	430,158	(109,171)	(19,924)	-	301,063
	-	430,158	(109,171)	(19,924)	-	301,063
Total Unrestricted funds	-	430,158	(109,171)	(19,924)	-	301,063
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	-	895,343	(839,333)	19,924	-	75,934
Pupil Premium	-	57,861	(57,861)	-	-	-
Academy Conversion Grants	-	240,000	(127,681)	-	-	112,319
Higher Needs	-	13,046	(13,046)	-	-	-
Inclusion Hub	-	12,083	(8,472)	-	-	3,611
Other	-	70,356	(70,356)	-	-	-
Pension reserve	-	(269,000)	(17,000)	-	(237,000)	(523,000)
	-	1,019,689	(1,133,749)	19,924	(237,000)	(331,136)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed Assets transferred on conversion	-	4,426,426	(105,285)	-	-	4,321,141
Prior year adjustment	-	4,474,251	(78,210)	-	-	4,396,041
DfE/ESFA Capital grants	-	101,460	-	-	-	101,460
	-	9,002,137	(183,495)	-	-	8,818,642
Total restricted funds	-	10,021,826	(1,317,244)	19,924	(237,000)	8,487,506
Total of funds	-	10,451,984	(1,426,415)	-	(237,000)	8,788,569

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

**Designated Funds**

MAT Growth and Development - Funds have been designated for future MAT growth and development.

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

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**19. STATEMENT OF FUNDS (continued)**

**Restricted Funds**

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

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

Academy Conversion Grants – This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy.

Higher Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Inclusion Hub Grants - This represents one off funding received from the local authority and other grant providers for inclusion projects.

G&T Programme - This represents a donation from a charitable foundation for the provision of a five year gifted and talented programme.

Foyles - This represents a donation from a charitable trust to encourage children to read widely from an early age to provide a major boost to improving literacy levels, which is a current key educational objective.

Other - This represents all other funding from restricted sources.

Diptford Pre School Build - This represents funding obtained for the build of a Preschool at Diptford C of E Primary School.

Pension Reserve – This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

**Restricted Fixed Asset Funds**

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the School from the Local Authority on conversion to an academy.

DfE/ESFA Capital grants - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

Condition Improvement Fund - This represents funding from the ESFA to upgrade mechanical and electrical systems at Stoke Gabriel Community Primary School.

Awards for All - This represents funding obtained to build outdoor learning space.

**Other information**

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Bearnes Voluntary Primary School	171,686	96,967
Diptford C of E Primary School	11,498	28,070
Harbertonford C of E Primary School	72,246	89,998
Hennock Community Primary School	63,060	46,418
Landscape C of E Primary School	25,380	33,540
Stoke Gabriel Community Primary School	74,465	84,852
Central Function (including start up grants)	128,926	113,082
Total before fixed asset fund and pension reserve	547,261	492,927
Restricted fixed asset fund	4,502,567	4,396,041
Pension reserve	(570,000)	(523,000)
Total	4,479,828	4,365,968

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Bearnes Voluntary Primary School	333,520	29,161	8,739	106,256	477,676	211,282
Diptford C of E Primary School	250,363	24,265	8,345	264,054	547,027	175,559
Harbertonford C of E Primary School	282,272	39,046	10,741	127,637	459,696	165,579
Hennock Community Primary School	148,929	27,109	7,564	55,177	238,779	102,133
Landscape C of E Primary School	311,339	36,058	17,864	131,578	496,839	196,585
Stoke Gabriel Community Primary School	275,015	26,759	13,604	87,245	402,623	160,568
Central Function	157,333	71,039	2,285	116,217	346,874	246,821
	1,758,771	253,437	69,142	888,164	2,969,514	1,258,527

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	5,379	4,413,528	4,418,907
Current assets	223,565	679,189	89,039	991,793
Creditors due within one year	-	(360,872)	-	(360,872)
Pension scheme liability	-	(570,000)	-	(570,000)
	<u>223,565</u>	<u>(246,304)</u>	<u>4,502,567</u>	<u>4,479,828</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds (as restated) 2016 £	Total funds (as restated) 2016 £
Tangible fixed assets	-	-	4,338,724	4,338,724
Current assets	301,063	466,693	83,877	851,633
Creditors due within one year	-	(274,829)	-	(274,829)
Provisions for liabilities and charges	-	(523,000)	-	(523,000)
	<u>301,063</u>	<u>(331,136)</u>	<u>4,422,601</u>	<u>4,392,528</u>

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	31,300	4,629,528
<b>Adjustment for:</b>		
Depreciation charges	123,684	183,495
Dividends, interest and rents from investments	(433)	(202)
Decrease/(increase) in debtors	63,938	(180,678)
Increase in creditors	86,043	263,121
Capital grants from DfE and other capital income	(193,511)	(213,137)
Defined benefit pension scheme obligation inherited	93,000	269,000
Defined benefit pension scheme cost less contributions payable	10,000	-
Defined benefit pension scheme finance cost	-	17,000
Net (loss) on assets and liabilities from local authority on conversion	-	(4,504,636)
Other income transferred from local authority on conversion	-	(416,153)
<b>Net cash provided by operating activities</b>	<u>214,021</u>	<u>47,338</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash at bank and in hand	875,053	670,955
	<u>875,053</u>	<u>670,955</u>

**23. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of

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

**23. PENSION COMMITMENTS (continued)**

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

The employer's pension costs paid to TPS in the period amounted to £180,600 (2016: £76,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £133,000 (2016: £42,000), of which employers' contributions totalled £106,000 (2016: £32,000) and employees' contributions totalled £27,000 (2016: £10,000). The agreed contribution rates for future years are 18.7% for employers and 5.5-7.5% for employees.

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

Devon County Council

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %

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

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

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	25,000	21,000
Discount rate -0.1%	26,000	21,000
Mortality assumption - 1 year increase	34,000	21,000
Mortality assumption - 1 year decrease	33,000	20,000
CPI rate +0.1%	23,000	18,000

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**23. PENSION COMMITMENTS (continued)**

CPI rate -0.1%	23,000	17,000
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The academy's share of the assets in the scheme was:

	<b>Fair value at 31 August 2017 £</b>	<b>Fair value at 31 August 2016 £</b>
Equities	263,000	172,000
Gilts	91,000	58,000
Property	39,000	29,000
Cash and other liquid assets	10,000	5,000
Other - user input	41,000	29,000
<b>Total market value of assets</b>	<b>444,000</b>	<b>322,000</b>

The actual return on scheme assets was £41,000 (2016: £25,000).

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

	<b>2017 £</b>	<b>2016 £</b>
Current service cost	(199,000)	(45,000)
Interest income	8,000	4,000
Interest cost	(18,000)	(8,000)
<b>Total</b>	<b>(209,000)</b>	<b>(49,000)</b>

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

	<b>2017 £</b>	<b>2016 £</b>
Opening defined benefit obligation	816,000	-
Transferred in on existing academies joining the trust	-	495,000
Current service cost	199,000	45,000
Interest cost	18,000	8,000
Employee contributions	27,000	10,000
Actuarial (gains)/losses	(23,000)	258,000
Benefits paid	(23,000)	-
<b>Closing defined benefit obligation</b>	<b>1,014,000</b>	<b>816,000</b>



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**23. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	293,000	-
Upon conversion	-	226,000
Interest income	8,000	4,000
Actuarial losses	33,000	21,000
Employer contributions	106,000	32,000
Employee contributions	27,000	10,000
Benefits paid	(23,000)	-
	<u>444,000</u>	<u>293,000</u>
Closing fair value of scheme assets	<u>444,000</u>	<u>293,000</u>

**24. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	2,645	2,637
Between 1 and 5 years	2,696	1,949
Total	<u>5,341</u>	<u>4,586</u>

**25. MEMBERS' LIABILITY**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. RELATED PARTY TRANSACTIONS**

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

The following related party transactions took place in the period:

The Academy Trust procured services amounting to £9,024 (2016: £92,338) from Michelmores LLP. Charlotte Power's (Trustee) husband is a director of Michelmores LLP. A balance of £Nil (2016: £3,157) is included in creditors. The business arrangement with Michelmores LLP was entered into before Charlotte Power was appointed as a Trustee.

The stepdaughter of Isabel Cherrett (a Trustee) is employed by the Academy Trust as a teacher. Her appointment was made in open competition and Isabel Cherrett was not involved in the decision making process. Her stepdaughter is paid within the normal pay scales for her role and received no special treatment as a result of her relationship with a Trustee. She was appointed pre conversion to an Academy Trust.

**27. POST BALANCE SHEET EVENTS**

On 1st September 2017, Diptford Pre School joined the Academy Trust.

**28. CONTROLLING PARTY**

The Trust was under the control of the Members. There is no individual controlling party.