

LINK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

LINK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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**LINK ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2016**

Members	Rev Preb J C Ould (appointed 13 April 2016) Mrs G Golder (appointed 1 May 2016) The Ven D Dettmer (appointed 1 April 2016) Mrs Y Short (appointed 1 April 2016)
Trustees	Nicola Dunford, CEO (appointed 5 June 2016) ² Antony Callcut, Deputy CEO (appointed 12 April 2016) ^{2,3} Isabel Cherrett, Chair (appointed 12 April 2016) ^{1,2,4} Iain Grafton (appointed 12 April 2016) ^{1,3} Simon Niles (appointed 2 May 2016) ³ Charlotte Power, Deputy Chair (appointed 12 April 2016) ^{1,3} Fiona Walters (appointed 2 May 2016) ² Diane Hockin (appointed 5 June 2016, resigned 10 October 2016) Roy Gillard (appointed 10 October 2016) ^{2,4} ¹ Audit Committee ² Finance and General Purposes Committee ³ Standards and Curriculum Committee ⁴ Remuneration Committee
Company registered number	10049068
Company name	Link Academy Trust
Principal and registered office	Landscope C of E Primary School Landscope Ashburton Newton Abbot Devon TQ13 7LY
Corporate secretary	Michelmores Secretaries Woodwater House Pynes Hill Exeter Devon EX2 5WR
Chief executive officer	Nicola Dunford
Senior management team	Nicola Dunford, CEO Tony Callcut, Deputy CEO Matt Matthew, Business Manager (appointed 1/09/2016)
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2016**

Advisers (continued)

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

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

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2016. 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 481 in the school census on 6 October 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy (was incorporated on 8 March 2016 and opened as an Academy on 1 April 2016) 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.

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 period, 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 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 Trustees appointed those Trustees that had been recruited and selected to be Trustees of the newly formed Trust. In accordance with the Articles of Association, the Academy'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 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 Executive Principal and the CEO. 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 article 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 Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust is developing a Trustee Recruitment, Induction and Training policy that will be available from the Clerk to the Trustees at the beginning of the academic year 2016/17.

**LINK ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016**

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.

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 ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may, from time to time, establish working groups to perform specific tasks over a limited timescale.

During the period under report, the Board met three times and agreed the following format for committees that would be in operation from 1st September 2016:

- 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, compliance with reporting and regulatory requirements and reporting, receiving reports from the Internal Audit Officer and drafting the annual budget including setting staffing levels.
- 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 Academy Improvement Plan. It will also link with LGBs regarding day to day operation of schools. Monitoring The Link Academy website to ensure it complies with statutory requirements and checking school attendance and all aspects of safeguarding falls 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 staffing needs and budget, including appraisal arrangements and remuneration of senior Link Academy Trust staff. It 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: compliance testing- legionella, health & safety and environmental protection. It includes scrutiny of the External Auditor's Report, checking timely completion of auditor's recommendations and scrutiny of all audit reviews by the Educational Funding Agency. Overall it also takes responsibility for the Audit and Annual Risk Management Plan and all aspects of Business Recovery.

Communication and Reporting Procedures

The minutes of the committees' meetings will be circulated to the next meeting of the Board of Directors. Once approved, but subject to any items deemed confidential, the Minutes will be made available to the schools within the Academy, they will be posted on the website once approved.

Clerking Arrangements

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

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.

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

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 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).

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 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 includes a Governor.

The Academy Trust comprises six primary schools, Bearnese, Diptford, Harbertonford, Hennock, Landscope and Stoke Gabriel. Each academy has its own Local Governing Board – Newton and Teign or Totnes which is responsible for day to day operations. The Trust Board permits twelve Directors that are separate from the Local Governing Boards.

The Chief Executive is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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, as Trustees.

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 Academy 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.

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 period 1st April to 31 August 2016 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop students as more effective, independent and aspirational learners.
- to enhance the preschool provision and outcomes.
- to develop the individual Academy sites so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the academies by keeping the curriculum and organisational structure under continual review.

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

- to maximise the number of students who achieve age related expectations or above at KS1 and KS2.
- to provide value for money for the funds expended.
- to develop the Inclusion Hub located at Bearnas Primary school to ensure specialist provision for SEND children across the six academies in the form of bespoke staff training and access to professional third party organisations.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to maintain close links with industry and commerce.
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

To grow the Multi Academy Trust both through the capacity of the current academies and also encouraging schools to convert to Academy status and join the MAT.

At 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 Multi Academy 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 initial period 1st April 2016 to 31st August 2016 are contained in our Link Academy Improvement Plan which is available from the Trust office. Improvement focus identified for this year includes three focus areas for this short period:

1. Teaching including appraisal, training, CPD, learning walks, peer mentoring and lesson study. This will include:
 - Learning Walks - A structured system of appraisal adopted across the Totnes Federation of Voluntary Schools (TFVS) that involves Heads of Schools in partnership spending a day in a 'host' school scrutinising books, observing teaching, analysing data and triangulating the findings. A Learning Walk pro-forma is completed and fed back to 'host' staff at the end of the day.
 - Book Scrutiny - Books should be 'the window on learning' in our schools. We should be able to see the planning reflected in the pupils' learning, marking should be effective and a dialogue evident with pupils, Assessment for Learning (AfL) etc.
 - Peer Mentoring - Support across the schools within The Link to ensure all teachers are exposed to high quality practice and understand the expectation to deliver outstanding learning experiences.
2. Learning-including: curriculum, assessment, Building Learning Power, planning, deeper learning for gifted & talented, understanding of / opportunities for mastery, SEND and Barriers to Learning. This will include:
 - School Pupil Tracker- an online system of tracking pupil progress which can be used to monitor everything related to progress and attainment, including creating 'groups' of learners for comparison- i.e. pupil premium children, SEND groups, G&T pupils, gender etc and used alongside Raise Online data. All schools currently operate the system.
 - Building Learning Power- the characteristics of effective learning include children's ability to learn more independently, identifying their next steps in learning, being able to question what they know and how they can become better learners.
 - Gifted & Talented- build a system across The Link to extend the experiences of our G&T pupils- including a Clear Understanding of Mastery- replacing levels- what does the highest level of achievement 'look like'?
 - Social, emotional support-
3. Communication- including: school to parents, school to school, Academy- wide, use of social media etc. This will include:

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

- Cross Academy Communication
- Use of Google Apps- set up a system which enables sharing of good practice, information, calendars, planning etc. This can then be extended to use with children over time.

Alongside the above, all individual Academies continued the 2015-16 academic year to complete the Improvement Plans that had been set up within the Federations and their own original School Plan. These were focused on the four areas that Ofsted use for their inspection of schools- see below.

A full Link MAT Improvement Plan for 2016-17 will be developed from this basis and will be established through collaboration and consultation with the Heads of School across the MAT. The Link MAT Improvement Plan, will operate alongside the individual Academy plans which will 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.

The 2016-17 plans will address the four specific areas outlined by Ofsted:

- Leadership and Management
- Quality of Teaching, Learning & Assessment
- Personal development, behaviour and welfare
- Outcomes for pupils.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the 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 Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community wherever possible.

STRATEGIC REPORT

Achievements and Performance

The Trust is in its first five months of operation and its capacity has remained constant during this period. The aim of the Trust is to now develop 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 strengthen its links with surrounding preschool providers. Our aim is to achieve 95 per cent capacity within three years.

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.

Every school is well supported by parent volunteers; their commitment to the children and Academies is inspirational. They have helped with reading, writing, maths, drama and trips out of school.

All of the Academy schools are currently judged to be Good or Outstanding by OFSTED.

As this is a short five month period, the Trust has planned to make every opportunity of the forthcoming Condition Improvement Fund round that opens in October 2016 including working with local architects based in Exeter to develop coherent improvement plans for each academy.

To ensure standards are continually assessed, the Academies operate a mutual termly learning walk programme of lesson observations, book scrutinies and data analysis reviews that are undertaken by the Heads of Schools,

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

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 Trust has continued to work with a number of individual schools and small federations to promote the ethos and vision that drives the Trust.

A full report of standards achieved across all Academies will be included in the next report 2016-17. The Trustees Board will be informed of standards following the publication of the Raise Online data for each setting in the autumn of 2016.

Key Performance Indicators

The Trust is in its first five months of operation and is working with its appointed accountants to develop a full range of key performance indicators (KPI's). It is anticipated that a full range of indicators will be adopted including percentage carry forward, pupil/teacher ratio, staffing costs versus GAG/income.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2016 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 2016, the Trust received total income (excluding conversion funds) of £1,404,154 and incurred total expenditure of £1,426,415. The excess of expenditure over income for the year was £22,261.

At 31 August 2016 the net book value of fixed assets was £8,734,765 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The land, buildings and other assets were transferred to the Trust upon conversion. Land and buildings were valued by the Trustee at £8,789,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former schools' budget share (£344,624) was transferred across on conversion and is shown as Unrestricted Funds.

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 25 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.

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

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 Trustee's aim to hold reserves of £400,000, equating to two months of operating expenditure.

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 Academy 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 Academy Trust has considerable reliance on continued Government funding through the EFA. In the last year 98 per cent 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 effectively manage 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 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 succession planning.

Fraud and mismanagement of funds - The Trust has appointed an internal audit officer 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 Academy. The register and plan are regularly

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

reviewed in 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 they have adequate insurance cover.

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

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

At the year end, the 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 25 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, this 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.

Following the notification of a successful capital funding bid, the Academy will commence construction of a new mezzanine floor at Bearnas Primary school and the building of two new replacement classrooms, including a preschool area, at Diptford Primary school.

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

We plan to maintain small class sizes, where funding allows, with a teaching assistant in each class which will reflect in academic outcomes being improved.

Due to our success in working with other schools, we will continue to look at opportunities to work with other schools and grow our family of primary schools.

We will develop a Capacity Growth Plan to ensure the MAT expands in order to offer a more efficient, highly skilled and effective unit which ensures 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:

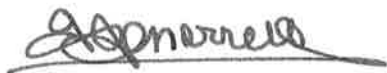
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016**

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 ~~14 December~~ ²⁰¹⁶ and signed on the board's behalf by:



**Isabel Cherrett
Chair of Trustees**

GOVERNANCE STATEMENT

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 three times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Nicola Dunford, CEO	3	3
Antony Callcut, Deputy CEO	3	3
Isabel Cherrett, Chair	2	3
Iain Grafton	3	3
Simon Niles	3	3
Charlotte Power, Deputy Chair	3	3
Fiona Walters	2	3
Diane Hockin	2	3
Roy Gillard	0	0

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 2016, four joined the committee. No meetings of this committee were held during this period.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Isabel Cherrett	0	0
Nicola Dunford, CEO	0	0
Antony Callcut, Executive Principal	0	0
Fiona Walters	0	0

The first meeting occurred on 1st December 2016. Prior to this, the Finance and General Purpose Committee's role was covered at the meetings of the Full Trust Board.

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.

During the period to 31 August 2016, three joined the committee. No meetings of this committee were held

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GOVERNANCE STATEMENT (continued)

during this period.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Charlotte Power, Chair	0	0
Iain Grafton	0	0
Isabel Cherrett	0	0
Nicola Dunford, CEO (in attendance)	0	0

The first meeting occurred on 30th November 2016. Prior to this, the Audit Committee's role was covered at the meetings of the Full Trust Board.

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 an interim Business Manager to ensure stability during the transition phase prior to employing a full time Business Manager in September 2016.
- Instigating condition reports for all individual academies to develop and drive future capital projects requirements.
- Value for money purchasing, examples include service level agreements with Torbay Development Agent (TDA), Babcock and other local contractors.
- 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 Senior Management Team (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 to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Link Academy Trust for the period 8 March 2016 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the period 8 March 2016 to 31 August 2016 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)

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint St Kew Accountancy as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

During the period of this statement, the Board of Trustees instructed Bishop Fleming LLP to conduct an assurance report and the EFA's Financial Management Governance Self Evaluation (FMGS) was completed and submitted within the desired timeframe. The EFA Lead audit officer visited the Link MAT on 3rd November and subsequently prepared a validation report. The evidence presented led to a judgement that considered the MAT as 'progressing towards compliance' based on a small number of actions that needed to be addressed. The outstanding recommendations are now fully met and therefore the MAT would consider itself to be fully compliant.

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 financial year 2016/17 has been agreed and will include:

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

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the five months in question the review has been informed by:

- The work of the assurance report provided by the Trust's auditors
- The financial management and governance self-assessment process
- The work of the interim business manager to the Board who had daily responsibility for the development and maintenance of the internal control framework.
- The intention will be to create a robust internal system of controls for the financial year 16/17 that will include:
 - The appointment of a qualified and highly experienced Finance Director to the Board
 - Termly visits from an independent internal audit officer
 - Full monthly management reports from the newly appointed experienced Business Manager
 - 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.

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

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Board of Trustees on 14/12/16 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 Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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 EFA.

**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 PERIOD ENDED 31 AUGUST 2016**

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 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 2015 to 2016;
- 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 the EFA/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: 14 December 2016.

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

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

We have audited the financial statements of Link Academy Trust for the period ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education 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 Auditors' 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Bishop Fleming W

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: 15/12/16

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

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

In accordance with the terms of our engagement letter dated 02/10/15 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Link Academy Trust during the period 8 March 2016 to 31 August 2016 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Link Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Link Academy Trust and EFA, 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 8 March 2016 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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.

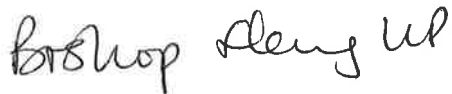
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 8 March 2016 to 31 August 2016 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: 15/12/16

LINK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
INCOME FROM:					
Donations & capital grants:					
Transfers on conversion	2	344,624	(269,000)	8,972,206	9,047,830
Other donations and capital grants	2	8,841	18,132	29,931	56,904
Charitable activities	3	71,258	1,270,557	-	1,341,815
Other trading activities	4	5,233	-	-	5,233
Investments	5	202	-	-	202
TOTAL INCOME		430,158	1,019,689	9,002,137	10,451,984
EXPENDITURE ON:					
Raising funds		2,148	-	-	2,148
Charitable activities		107,023	1,133,749	183,495	1,424,267
TOTAL EXPENDITURE	8	109,171	1,133,749	183,495	1,426,415
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		320,987	(114,060)	8,818,642	9,025,569
Transfers between Funds	20	(19,924)	19,924	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		301,063	(94,136)	8,818,642	9,025,569
Actuarial losses on defined benefit pension schemes	25	-	(237,000)	-	(237,000)
NET MOVEMENT IN FUNDS		301,063	(331,136)	8,818,642	8,788,569
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		301,063	(331,136)	8,818,642	8,788,569

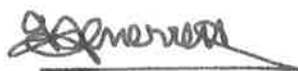
All of the academy's activities derive from acquisitions in the current financial period.

LINK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 10049068

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £
FIXED ASSETS			
Tangible assets	16		8,734,765
CURRENT ASSETS			
Debtors	17	180,678	
Cash at bank and in hand		670,955	
		<u>851,633</u>	
CREDITORS: amounts falling due within one year	18	(274,829)	
NET CURRENT ASSETS			<u>576,804</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,311,569</u>
Defined benefit pension scheme liability	25		(523,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>8,788,569</u></u>
FUNDS OF THE ACADEMY			
Restricted income funds:			
General funds	20	191,864	
Fixed asset funds	20	8,818,642	
		<u>9,010,506</u>	
Restricted income funds excluding pension liability			
Pension reserve		(523,000)	
		<u></u>	
Total restricted income funds			8,487,506
Unrestricted income funds	20		<u>301,063</u>
TOTAL FUNDS			<u><u>8,788,569</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2016 and are signed on their behalf, by:



Isabel Cherrett
Chair of Trustees

The notes on pages 25 to 49 form part of these financial statements.

LINK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2016

	Note	2016 £
Cash flows from operating activities		
Net cash provided by operating activities	22	47,338
Cash flows from investing activities:		
Dividends, interest and rents from investments		202
Purchase of tangible fixed assets		(5,875)
Capital grants from DfE/EFA		213,137
Cash transferred on conversion from the local authority		416,153
Net cash provided by investing activities		623,617
Change in cash and cash equivalents in the period		670,955
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	23	670,955

All of the cash flows are derived from acquisitions in the current financial period.

LINK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION 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 2015 to 2016 issued by EFA, 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 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 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1.5 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.

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

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

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed 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 incorporating income and expenditure account.

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.

Where the Academy Trust has been granted use of school buildings from the Diocese of Exeter under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Academy Trust. The land and buildings have been included since conversion within the long-term leasehold property of the Academy Trust. 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. This view differs from the view of the Church of England.

The Supplemental Agreement includes the right for the Diocese of Exeter Trustees to give not less than 2 years written notice to the Academy Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

1.7 DEBTORS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.8 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.9 FINANCIAL INSTRUMENTS

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.10 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.

1.11 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, 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.

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 incorporating income and expenditure account 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

1.12 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.13 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the predecessor schools to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted funds and restricted fixed asset funds.

Land and Buildings and other fixed assets have been included at amounts value by the Trustees. Pension assets and liabilities have been valued by Barnett Waddingham.

Further details of the transaction are set out in note 24.

LINK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The 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 25, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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 judgement:

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 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Transfers on conversion	344,624	(269,000)	8,972,206	9,047,830
Donations	8,841	13,341	-	22,182
Capital Grants	-	-	29,931	29,931
Grants	-	4,791	-	4,791
Subtotal	8,841	18,132	29,931	56,904
Total donations and capital grants	353,465	(250,868)	9,002,137	9,104,734

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Education	33,805	1,270,296	1,304,101
Nursery	37,453	261	37,714
	<u>71,258</u>	<u>1,270,557</u>	<u>1,341,815</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
DfE/EFA grants			
General Annual Grant	-	895,343	895,343
Start up Grants	-	240,000	240,000
Other DfE/EFA grants	-	114,876	114,876
	<u>-</u>	<u>1,250,219</u>	<u>1,250,219</u>
Other government grants			
High Needs	-	12,785	12,785
Other government grants non capital	-	7,292	7,292
	<u>-</u>	<u>20,077</u>	<u>20,077</u>
Other funding			
Internal catering income	15,298	-	15,298
Sales to students	2,345	-	2,345
Other	16,162	-	16,162
	<u>33,805</u>	<u>-</u>	<u>33,805</u>
	<u>33,805</u>	<u>1,270,296</u>	<u>1,304,101</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Lettings	259	-	259
Fees received	4,974	-	4,974
	<u>5,233</u>	<u>-</u>	<u>5,233</u>

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NOTES TO THE FINANCIAL STATEMENTS
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5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Bank interest	202	-	202

6. DIRECT COSTS

	Education £	Nursery £	Total 2016 £
Pension finance costs	2,000	-	2,000
Educational supplies	29,421	-	29,421
Examination fees	430	-	430
Staff development	5,748	60	5,808
Other costs	22,163	-	22,163
Supply teachers	17,948	-	17,948
Technology costs	37,856	-	37,856
Wages and salaries	558,202	26,422	584,624
National insurance	47,045	791	47,836
Pension cost	98,644	5,506	104,150
Depreciation	126,035	-	126,035
	945,492	32,779	978,271

LINK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

7. SUPPORT COSTS

	Education £	Nursery £	Total 2016 £
Pension finance costs	2,000	-	2,000
Other costs	843	-	843
Recruitment and support	1,708	-	1,708
Maintenance of premises and equipment	27,009	1,422	28,431
Cleaning	22,484	1,183	23,667
Rent and rates	21,595	1,137	22,732
Energy costs	5,151	271	5,422
Insurance	9,122	480	9,602
Security and transport	3,569	-	3,569
Catering	50,633	18	50,651
Technology costs	5,118	-	5,118
Office overheads	11,481	276	11,757
Legal and professional	55,371	-	55,371
Bank interest and charges	313	-	313
Governance	89,040	-	89,040
Wages and salaries	58,803	1,179	59,982
National insurance	3,054	65	3,119
Pension cost	14,991	220	15,211
Depreciation	57,460	-	57,460
	<u>439,745</u>	<u>6,251</u>	<u>445,996</u>

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £
Expenditure on fundraising trading	-	-	2,148	2,148
Education:				
Direct costs	721,839	-	223,653	945,492
Support costs	71,848	177,853	190,044	439,745
Nursery:				
Direct costs	37,719	-	(4,940)	32,779
Support costs	1,464	4,493	294	6,251
	<u>832,870</u>	<u>182,346</u>	<u>411,199</u>	<u>1,426,415</u>

LINK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

9. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
	£	Amount	Reason
		£	
Compensation payments	7,500	7,500	Compensation paid for employment tribunal case - fully reimbursed by the Risk Protection Arrangement (RPA)

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016
	£
Depreciation of tangible fixed assets:	
- owned by the charity	183,495
Auditors' remuneration - audit	8,550
Auditors' remuneration - other services	5,150
Operating lease rentals	1,730

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

11. STAFF COSTS

Staff costs were as follows:

	2016
	£
Wages and salaries	644,606
Social security costs	50,955
Operating costs of defined benefit pension schemes	119,361
	814,922
Supply teacher costs	17,948
	832,870

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

	2016
	No.
Teachers	33
Educational Support	44
Administration and Clerical	7
Management	2
	86

Average headcount expressed as a full time equivalent:

	2016
	No.
Teachers	25
Educational Support	18
Administration and Clerical	5
Management	2
	50

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

	2016
	No.
In the band £60,001 - £70,000	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, for the 5 month period to 31st August 2016 was £57,380. The School Business Manager was appointed after the year end and therefore remuneration relating to this role has not been included above.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

12. CENTRAL SERVICES

The academy has provided the following central services to its academies during the period:

- Finance and administration
- Management costs

The academy 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 period were as follows:

	2016 £
Bearnes Voluntary Primary School	21,266
Diptford C of E Primary School	20,029
Harbertonford Primary School	19,782
Hennock Community Primary School	9,397
Landscope C of E Primary School	24,975
Stoke Gabriel Primary School	23,491
	<hr/>
Total	118,940 <hr/>

13. TRUSTEES' REMUNERATION AND EXPENSES

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

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

During the period ended 31 August 2016, expenses totalling £381 were reimbursed to 2 Trustees.

14. TRUSTEES' AND OFFICERS' INSURANCE

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

15. OTHER FINANCE INCOME

	2016 £
Interest income on pension scheme assets	4,000
Interest on pension scheme liabilities	(8,000)
	<u>(4,000)</u>

16. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
Additions	8,804,868	99,015	14,377	8,918,260
At 31 August 2016	<u>8,804,868</u>	<u>99,015</u>	<u>14,377</u>	<u>8,918,260</u>
DEPRECIATION				
At 8 March 2016	-	-	-	-
Charge for the period	153,949	24,754	4,792	183,495
At 31 August 2016	<u>153,949</u>	<u>24,754</u>	<u>4,792</u>	<u>183,495</u>
NET BOOK VALUE				
At 31 August 2016	<u>8,650,919</u>	<u>74,261</u>	<u>9,585</u>	<u>8,734,765</u>

Land and buildings on conversion have been included in the accounts at an estimation of their value based on the date of conversion. In determining these values the Trustees have referred to area measured in square meters multiplied by rebuild costs.

17. DEBTORS

	2016 £
Trade debtors	46,534
VAT recoverable	63,532
Prepayments and accrued income	70,612
	<u>180,678</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £
Trade creditors	97,142
Other taxation and social security	29,715
Other creditors	32,483
Accruals and deferred income	115,489
	<u>274,829</u>

DEFERRED INCOME

Deferred income at 8 March 2016	-
Resources deferred during the period	115,489

Deferred income relates to grant funding received in advance for the 16/17 accounting year.

19. FINANCIAL INSTRUMENTS

	2016 £
Financial assets measured at fair value through income and expenditure	670,955
Financial assets measured at amortised cost	143,800
	<u>814,755</u>
Financial liabilities measured at amortised cost	159,340

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

20. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	-	430,158	(109,171)	(19,924)	-	301,063
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	895,343	(839,333)	19,924	-	75,934
Pupil premium Academy	-	57,861	(57,861)	-	-	-
Conversion Grants	-	240,000	(127,681)	-	-	112,319
Higher Needs Inclusion Hub	-	13,046	(13,046)	-	-	-
Grants	-	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)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	-	111,677	-	-	-	111,677
DfE/EFA Capital grants	-	101,460	-	-	-	101,460
Other Restricted funds	-	8,789,000	(183,495)	-	-	8,605,505
	-	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:

Restricted Funds

General Annual Grant - Income from the EFA 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 EFA 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 EFA to contribute to the cost of converting from a school to an academy.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

20. STATEMENT OF FUNDS (continued)

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 for inclusion projects.

Other - This represents all other funding from restricted sources.

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 represent the buildings and equipment donated to the School from the Local Authority on conversion to an academy.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £
Bearnes Voluntary Primary School	96,967
Diptford C of E Primary School	28,070
Harbertonford C of E Primary School	89,998
Hennock Community Primary School	46,418
Landscope C of E Primary School	33,540
Stoke Gabriel Community Primary School	84,852
Central Function (including start up grants)	113,082
Total before fixed asset fund and pension reserve	492,927
Restricted fixed asset fund	8,818,642
Pension reserve	(523,000)
Total	<u>8,788,569</u>

LINK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £
Bearnes Voluntary Primary School	158,099	8,188	5,492	39,503	211,282
Diptford C of E Primary School	105,653	12,896	2,373	46,986	167,908
Harbertonford C of E Primary School	98,574	12,286	4,103	36,195	151,158
Hennock Community Primary School	67,640	9,352	4,396	20,745	102,133
Landscope C of E Primary School	124,135	11,847	2,511	47,577	186,070
Stoke Gabriel Community Primary School	110,077	12,796	2,311	35,384	160,568
Central Function	64,492	5,947	8,665	167,717	246,821
	<u>728,670</u>	<u>73,312</u>	<u>29,851</u>	<u>394,107</u>	<u>1,225,940</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	8,605,505	-	129,260	8,734,765
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)
Difference	(8,605,505)	-	8,605,505	-
	<u>301,063</u>	<u>(331,136)</u>	<u>8,818,642</u>	<u>8,788,569</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

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

	2016 £
Net income for the year (as per Statement of financial activities)	9,025,569
Adjustment for:	
Depreciation charges	183,495
Dividends, interest and rents from investments	(202)
Increase in debtors	(180,678)
Increase in creditors	263,121
Capital grants from DfE and other capital income	(213,137)
Defined benefit pension scheme obligation inherited	269,000
Defined benefit pension scheme adjustments	17,000
Income from fixed assets transferred from local authority on conversion	(8,900,677)
Other income transferred from local authority on conversion	(416,153)
Net cash provided by operating activities	47,338

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £
Cash in hand	670,955
Total	670,955

24. CONVERSION TO AN ACADEMY TRUST

On 01/04/16 Bearnes Voluntary Primary School, Diptford C of E Primary School, Harbertonford C of E Primary School, Hennock Community Primary School, Landscope C of E Primary School and Stoke Gabriel Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Link Academy Trust from Devon County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

LINK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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24. CONVERSION TO AN ACADEMY TRUST (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	8,789,000	8,789,000
- Other tangible fixed assets	-	-	111,677	111,677
Budget surplus/(deficit) on LA funds	344,624	-	71,529	416,153
LGPS pension surplus/(deficit)	-	(269,000)	-	(269,000)
Net assets/(liabilities)	<u>344,624</u>	<u>(269,000)</u>	<u>8,972,206</u>	<u>9,047,830</u>

The above net assets include £416,153 that were transferred as cash.

BEARNES VOLUNTARY PRIMARY SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,586,750	1,586,750
- Other tangible fixed assets	-	-	16,201	16,201
Budget surplus/(deficit) on LA funds	74,886	-	42,529	117,415
LGPS pension surplus/(deficit)	-	(48,000)	-	(48,000)
Net assets/(liabilities)	<u>74,886</u>	<u>(48,000)</u>	<u>1,645,480</u>	<u>1,672,366</u>

The above net assets include £117,415 that were transferred as cash.

DIPTFORD C OF E PRIMARY SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,050,500	1,050,500
- Other tangible fixed assets	-	-	10,435	10,435
Budget surplus/(deficit) on LA funds	39,107	-	7,388	46,495
LGPS pension surplus/(deficit)	-	(45,000)	-	(45,000)
Net assets/(liabilities)	<u>39,107</u>	<u>(45,000)</u>	<u>1,068,323</u>	<u>1,062,430</u>

The above net assets include £46,495 that were transferred as cash.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

HARBERTONFORD C OF E PRIMARY SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,980,000	1,980,000
- Other tangible fixed assets	20,800	-	-	20,800
Budget surplus/(deficit) on LA funds	77,365	-	5,204	82,569
LGPS pension surplus/(deficit)	-	(45,000)	-	(45,000)
Net assets/(liabilities)	<u>98,165</u>	<u>(45,000)</u>	<u>1,985,204</u>	<u>2,038,369</u>

The above net assets include £82,569 that were transferred as cash.

HENNOCK COMMUNITY PRIMARY SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	995,500	995,500
- Other tangible fixed assets	-	-	22,122	22,122
Budget surplus/(deficit) on LA funds	40,179	-	-	40,179
LGPS pension surplus/(deficit)	-	(21,000)	-	(21,000)
Net assets/(liabilities)	<u>40,179</u>	<u>(21,000)</u>	<u>1,017,622</u>	<u>1,036,801</u>

The above net assets include £40,179 that were transferred as cash.

LANDSCOVE C OF E PRIMARY SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,443,750	1,443,750
- Other tangible fixed assets	-	-	23,719	23,719
Budget surplus/(deficit) on LA funds	46,925	-	7,541	54,466
LGPS pension surplus/(deficit)	-	(57,000)	-	(57,000)
Net assets/(liabilities)	<u>46,925</u>	<u>(57,000)</u>	<u>1,475,010</u>	<u>1,464,935</u>

The above net assets include £54,466 that were transferred as cash.

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STOKE GABRIEL COMMUNITY PRIMARY SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,732,500	1,732,500
- Other tangible fixed assets	-	-	18,400	18,400
Budget surplus/(deficit) on LA funds	66,162	-	8,867	75,029
LGPS pension surplus/(deficit)	-	(53,000)	-	(53,000)
	<u>66,162</u>	<u>(53,000)</u>	<u>1,759,767</u>	<u>1,772,929</u>
Net assets/(liabilities)	<u>66,162</u>	<u>(53,000)</u>	<u>1,759,767</u>	<u>1,772,929</u>

The above net assets include £75,029 that were transferred as cash.

25. PENSION COMMITMENTS

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

As described in note 24 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £32,178 were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of 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

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25. PENSION COMMITMENTS (continued)

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
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £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).

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 period ended 31 August 2016 was £42,000, of which employer's contributions totalled £32,000 and employees' contributions totalled £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:

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

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25. PENSION COMMITMENTS (continued)

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

	2016
Retiring today	
Males	22.9
Females	26.2
Retiring in 20 years	
Males	25.2
Females	28.6

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

	Fair value at 31 August 2016 £
Equities	172,000
Debt instruments	58,000
Property	29,000
Other	29,000
Cash	5,000
	<hr/>
Total market value of assets	293,000 <hr/>

The actual return on scheme assets was £25,000.

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

	2016 £
Current service cost (net of employee contributions)	(45,000)
Net interest cost	(4,000)
	<hr/>
Total	(49,000) <hr/>

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

	2016 £
Upon conversion	495,000
Current service cost	45,000
Interest cost	8,000
Contributions by employees	10,000
Actuarial losses	258,000
	<hr/>
Closing defined benefit obligation	816,000 <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

25. PENSION COMMITMENTS (continued)

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

	2016 £
Upon conversion	226,000
Return on plan assets (excluding net interest on the net defined pension liability)	21,000
Interest income	4,000
Actuarial gains and (losses)	21,000
Contributions by employer	32,000
Contributions by employees	10,000
	<hr/>
Closing fair value of scheme assets	314,000
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26. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £
AMOUNTS PAYABLE:	
Within 1 year	2,637
Between 1 and 5 years	1,949
	<hr/>
Total	4,586
	<hr/>

27. MEMBERS' LIABILITY

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

28. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the period:

The Academy Trust procured services amounting to £92,338 from Michelmores LLP. Charlotte Power's (Trustee) husband is a director of Michelmores LLP. A balance of £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 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.

29. CONTROLLING PARTY

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

