



Treloar Trust Report and Accounts For The Year Ended 31 August 2017

Company number 4466362
Registered Charity Number 1092857


Treloar's
Enabling Education



WELCOME

We measure success at our School and College by the accomplishments, well-being and general preparedness for life of our students rather than the judgement of the regulators. But nonetheless it is worth pausing to celebrate when the regulators do validate the truly wonderful work of our staff, and this past year has seen not just one 'Outstanding' judgement but three (OFSTED College, OFSTED School Residential and Care Quality Commission (CQC)). Outstanding judgements are rare indeed.

Our students have really thrived this year and academic outcomes have been outstanding, with 90% of all academic targets being met or exceeded, including 100% in GCSE and A level with all of those applying to university being accepted on their chosen course. Away from the classroom, our students have been out and about completing over 158 work experiences, singing to distinguished audiences and at music festivals, competing in national sports events, earning Duke of Edinburgh's Award levels and other awards and enjoying a plethora of clubs and activities too numerous to list. Often however, the most important successes for our students futures have been the personalised goals achieved, be it an independence skill mastered or an ambition realised.

Beyond the School and College, the Trust has supported the disabled community more broadly through our Outreach provision, which provides training to professionals across the region, therapy support to the disabled in mainstream schools and colleges and non-term time support to other charities, as well as continuing our independent living programme.

As ever, there are two groups that deserve our thanks: our staff, of whom the CQC stated in their report "the dedication and motivation of staff allowed students to achieve their potential"; and our supporters. Without these two groups we would not be able to create the environment that enables our students to flourish nor would we be able to provide the excellent education, care and hope for the future that these exceptional young people so rightly deserve.

We hope that the pages that follow help to give you a better insight into what we have achieved over the year and a flavour of what we want to achieve going forward.

Tony Reid, CEO, and Alistair Mackintosh, Chair of Trustees



ABOUT TRELOAR'S

As the UK's leading centre for severely physically disabled children and young people, Treloar's offers outstanding teaching, learning, professional care, therapy and guidance so that every individual can live, learn, achieve and work towards a future that is as independent as possible.

The students at Treloar's are contending with the most complex disabilities and, unfortunately, with those disabilities comes further conditions such as learning difficulties, visual impairments, no verbal communication, medical and dietary issues, lack of social awareness, mental health problems and life-limiting conditions. The following gives an indication of the complexity of our students' needs:

- 98% of our students are wheelchair users;
- 80% have speech, language and communication challenges;
- 46% are non-verbal or require support from communication aids;
- 27% have a visual impairment; and
- 20% have a life limiting condition.

Founded in 1907, Treloar School and College offers approximately 170 students, aged 2 to 25 from all over the UK and abroad, a unique and specialist environment where education works alongside therapy and care. This holistic approach sees the teachers, therapists, medical staff, dietitians, visual impairment advisers, counsellors, transition staff, technicians and engineers working as one team to support every individual and ensure that they achieve all that they can.



STUDENT ACHIEVEMENTS

Achievements went from strength to strength, from excellent academic results to an increased number of work experience placements in 2016-17.

Outcomes for School

Students' outcomes were outstanding – based on their achievement of intended destinations, achievement of academic targets and achievement of qualifications and progress against expected progress:

- 100% of our GCSE cohort achieved their target grade, with 53% exceeding their predicted grade;
- Nearly 90% of all academic targets set were achieved; and
- 82% of Individual Education Plan targets set were fully achieved.

Many of the most significant achievements are not as easily quantifiable but we had another full and busy year of activity, learning and opportunities that enabled students to demonstrate their skill and progress:

- **Participation levels in sporting and musical activities continue to be very strong** and students are inspired to push their own limits and demonstrate great determination, confidence and skill.
- **Twelve students spent four nights on a 'Pushing the Boundaries' trip with Calvert Trust**, supported by a multi-disciplinary staff team. This experience gave them a wonderful opportunity to develop many skills such as resilience, self-awareness, friendships and self-belief.

Outcomes for College

Students' outcomes were similarly outstanding at all levels. In particular:

- 100% success rates on courses at Entry Level 2, Entry Level 3, GCSE and AS/A level;
- Well over 90% of targets that were set for students at the start of the academic year across all their outcomes were achieved. Amongst a range of targets, this includes academic targets

and targets based on achievements in independent living skills;

- Four students who applied to university achieved places on their chosen courses; and
- Two new opportunities for residential and outdoor activities, building confidence, self-esteem and resilience were introduced.

Work Experience

Work experience is an increasingly important feature of life at Treloar's and, in 2016-17, there was a drive to increase the number of students who complete high quality placements. Impressively, 110 external and 48 internal placements across the School and College were successfully completed – each one requiring careful planning and support. Not only was feedback from students and their families really positive, but organisations hosting placements also believed the benefits to be significant.

To support students with transition, we are delighted to have been awarded £50,775 over a three-year period from the Masonic Charitable Foundation to fund a Work Experience Officer. This role will work within our Transition Team and be responsible for arranging meaningful and carefully selected work placements for all those students who are able to benefit from them.

The opportunity for students to undertake work experience really does enable them to experience first-hand what happens in a typical day at work as well as get a realistic idea of working which enables students to make a more informed choice to plan their future. Employers are also able to help students to improve and develop their skills and talents, build self-esteem and make decisions regarding their futures.



158
STUDENT
WORK
PLACEMENTS



100%
GCSE, A/AS
SUCCESS
RATE



90%
ACADEMIC
TARGETS
ACHIEVED



Work experience has changed my life

"Work experience at Treloar's has given me confidence to put myself forward for jobs and go to the interviews. It also gave me experience on how to dress while in the work place, the best way to talk to colleagues and overall it has enabled me to gain an understanding of a work environment and how I can take everything I have learnt from work experience at Treloar's to interviews in the future."

College Student Eoin



‘OUTSTANDING’ PROVISION

Treloar’s was confirmed as one of the best schools and colleges in the country when we were inspected and rated ‘Outstanding’ by OFSTED and CQC in 2016-17.

OFSTED Visits – December 2016 and March 2017

OFSTED visited both the School and the College in 2016-17 – in December 2016 to review the College’s educational provision and again in March 2017 to inspect the School’s residential provision. The outcomes confirmed the provision at Treloar’s is amongst the very best in the country: we were rated “Outstanding” in every aspect as well as an overall grade in both reports.

Highlights from the College report:

Governors, leaders and managers have been uncompromising in the pursuit and effective implementation of an ambitious strategic vision for students at the College.... The vast majority of students make excellent progress over the duration of their College programme. Most make significant gains in developing their communication skills. As a result, students are able to make their own decisions and choices and participate more fully in social and academic activities... Skilful support from staff empowers students to take greater control of their lives. Transition arrangements are highly comprehensive.

The School residential report was equally impressive:

Students unanimously report that they feel safe and enjoy living at the school. ‘Nothing is perfect, but Treloar comes very close,’ said one student... The promotion of equality and diversity is exemplary. All specific needs are welcomed and are met to a high standard.

Everyone’s identity and background is promoted, valued and enjoyed. The school is a happy, vibrant and inclusive community... Health provision is excellent. A wide range of medical expertise is readily available to meet the physical and psychological needs of the students.

CQC Visit – June 2017

In June 2017, Treloar College was subject to a full inspection by the Care Quality Commission (CQC). Again the result was a tribute to the commitment and expertise of our staff in all parts of the organisation as the College rated overall “Outstanding” in the inspection and in 4 out of 5 categories.

Highlights from the report:

There was an outstanding focus on equality, diversity and inclusion... All staff we spoke with put students at the centre of everything they did. We saw examples of excellent relationships between students and staff. There were exceptionally thorough arrangements to assess students’ needs before they joined..., during their stay and to prepare them to move on to the next stage in their lives. The College made exceptional use of assistive technology to enable students to express their views, to take part in decisions about their care and to maximise their independence. There was an open, empowering culture focused on the students’ needs, which was recognised and supported at all levels...Staff “went the extra mile” for the students. We saw kind and caring staff who assisted students whilst encouraging them to do as much as possible themselves.



COLLEGE
‘OUTSTANDING’



COLLEGE
‘OUTSTANDING’



SCHOOL
‘OUTSTANDING’



Number 5 in the Top 100 Index 2018

Treloar’s is 5th in the National Centre for Diversity Top 100 Organisations Index

Once again Treloar’s is amongst a host of impressive colleges and organisations in the public, private and charitable sector to be selected for the National Centre for Diversity (NCFD)’s Top 100 Organisation Index. This year the College ranked a strong fifth place. The top 100 Index, as well as organisation awards, was announced at the NCFD’s Annual Grand Awards in March. Placement on the index is determined by the results of surveys completed by those who embark on the accreditation journey with NCFD.

THANKS TO OUR DONORS...

Over £1.4M was raised from almost 2,500 donors in 2016-17. This support enables us to provide the specialist equipment, facilities, activities and staff to meet very complex needs.

We are grateful to every single person and organisation who gave or attended events to support Treloar's throughout the year and have highlighted a few fundraising projects made possible by your support.

Dinner in London on 12th October 2016 with HRH The Countess of Wessex GCVO again in attendance. We welcomed 210 guests to this very special evening, which raised stunning profits of £45,000.

New Coach Appeal

We were thrilled to complete our appeal to purchase a new coach, expected to arrive in the spring of 2018, which will be hugely beneficial to our students. The coach will enable transport to be used much more efficiently as we will be able to transport 11 students and 15 staff together with essential equipment, meaning we will no longer need to take 2-3 mini buses to transport large groups.

Dummer Fair

For the first time, the proceeds from the October 2016 Dummer Fair came to benefit Treloar's and an amazing £27,000 was raised. A firm favourite in many diaries over the past two decades, the Dummer Fair did not disappoint. It welcomed over 1,000 attendees across the two days and had over 95 stalls.

Rebound Therapy Room

Thanks to our generous donors, our new Rebound Therapy Room will make a huge amount of difference to all of our students. Utilising a trampoline, this therapeutic activity makes such a difference to student well-being, which is why it is essential to have a dedicated room where more students can access this therapy safely.

St Swithun's Walk and Run

On Sunday 7th May 2017 over 260 eager walkers, runners and dogs participated in the annual Treloar's St Swithun's Walk and Run and raised a fantastic £3,500.

Other key highlights

Other highlights made possible by friends and supporters throughout the year include:

- 24 people took part in active events including the London Marathon, raising over £34,000
- 100 people donated to supporter-organised events throughout the year
- Sales of Treloar's products and merchandise increased by 40%
- Over 500 people made a regular gift through the year
- Over 3,000 people have supported Treloar's by playing our TRELottery.

Gauvain House Opening

We were delighted to welcome our Royal Patron, HRH The Countess of Wessex GCVO, to formally open the newly refurbished Gauvain House on 25th May 2017. We are exceptionally grateful for all the support towards creating this excellent new home for 18 of our College students.

Mansion House Gala Dinner

Treloar students were the stars of the show at our annual Mansion House Charity Gala



**2,500
DONORS**



**£1.42M
RAISED**



**OVER
1,500
TOOK PART**

Living in Gauvain House

College student Kerry, pictured left doing her arts and crafts in the quiet Sensory Lounge in Gauvain House, is 19 and lives on the ground floor. She enjoys living in the house: "Gauvain is great, it's personal as it's a smaller house. I like that they try and get everyone involved in things and help you make the right decisions for you and they are helping me prepare for where I go after Treloar's. I feel safe here and I have access to my education and lots of other activities – it's like a dream."





MAKING A DIFFERENCE

Donations permit our students to take part in a wide range of activities and therapies which supplement their curriculum and widen their horizons.

Music at Treloar's

Music is a hugely important part of life at Treloar's. Many of our students have little or no speech so music provides an opportunity for them to express their emotions and communicate.

Through the year we enjoy magical performances by our talented students and a small group even had the opportunity to visit Mansion House and perform to the guests of our Gala Dinner. We asked our donors to help us create a new outdoor space with large scale musical instruments, carefully designed to encourage our students to physically interact with them. We were delighted to have these installed on our site at the end of 2016-17 and they are proving a wonderful addition for our students to learn and have fun.

Continuing on the theme of music, each year our generous supporters fund our Music Therapy programme which has gone from strength to strength. We now have a part-time Music Therapist at Treloar's and 33 students, an increase of 43% on the previous year, are receiving the benefits of these sessions, which are designed to engage and encourage them to develop a sense of themselves and a greater understanding of others and the world around them.

Sports

It can often be very difficult for disabled young people to access or participate in sporting activities. At Treloar's we feel that no one should be limited by their disability and are committed to providing opportunities for our students to not only participate in sports but excel in their abilities. The Campbell Sports Fund has

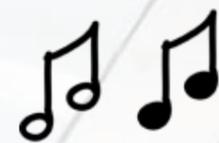
helped us achieve this. Grants from the Fund are awarded to individuals or groups of students to use towards competitive or recreational activities, items of sporting equipment, travel and accommodation costs, staff costs and the entry fees associated with competitions. Some of the activities through the year which our students have been able to participate in include sailing, powerboat trips, kayaking, Duke of Edinburgh's Award trips, Boccia competitions and swimming.

Pushing the Boundaries

Twelve of our Year 11 students had the opportunity to participate in our 'Pushing the Boundaries' trip this year and take on challenges that help them expand their horizons, gain valuable life skills, increase in confidence and, as one student went on to say: "I learnt that even with a disability anything is possible!". It is only with the generous support from our donors that our students get the opportunity to attend this trip each year.

Assistive Technology

Treloar's Assistive Technology team use engineering, computing and electronics to help students achieve the greatest possible independence in terms of mobility and communication, together with enabling them to advance their education and achieve the best possible qualifications. Despite having a life-changing impact, we receive no statutory funding towards Assistive Technology. This department is exceptionally busy and a total of 1,815 official requests were completed in the last year, equating to 45 requests per working week. This would not have been possible to achieve without the support of our generous donors.



43%

INCREASE IN STUDENTS RECEIVING MUSIC THERAPY



60

SAILING ADVENTURES



1,815

ASSISTIVE TECHNOLOGY REQUESTS COMPLETED



'Pushing the Boundaries'

"This residential trip gives our students what is often a once in a life time opportunity: to go away with their friends and throw themselves into a range of accessible outward bound activities. The experience really builds their self-confidence and independence skills. The opportunities for team work and testing their limits helps them to learn more about their character and potential to do and achieve great (sometimes unexpected!) things."

Helen Dignum, Deputy Head of School



OUTWARD FOCUS

We run a highly successful Outreach programme, we equip young adults with independence skills and we actively campaign to raise the profile of issues impacting our beneficiaries.

Outreach

Outreach provides professional and tailored services delivered by highly trained, expert staff to support people with a physical disability or with additional needs to access education, independence or employability.

In 2016-17 our services grew by 43%, supporting 129 separate organisations. Our therapy and counselling services delivered over 97 days. Assistive Technology continued to support private clients and charities with adaptations and access to ICT.

Treloar's Training offered 24 different accredited and continuous development courses accessed in house or via distance learning to professionals who educate, work with or care for children and young people with additional needs. Our training courses were attended by staff and volunteers from over 74 schools, colleges, charities and voluntary organisations.

Outside of term time we provided for 359 residential guests from groups supporting the physically disabled. Due to the highly resourced, truly accessible nature of our campus Whizz Kidz, Through the Roof and The Orpheus Centre were able to provide fully inclusive short breaks.

Treloar's also runs a very successful print business which not only provides our students with real life business training, but also provides first employment opportunities to talented physically disabled young people.

Campbell Court

Campbell Court is a community of seven self-contained ground floor flats with 24 hour access to staff located adjacent to the Treloar's campus. In 2016-17, the flats were occupied by a variety of tenants but all with the purpose of learning independence skills.

Three tenants were part of the Hampshire County Council Enablement Project, a two-year outcome-led pilot scheme. Outcomes included interacting with local community organisations and learning how to cook healthy meals in a safe way. Two of the tenants, both former Treloar's students, lived at Campbell Court while they attended university in Farnham. Campbell Court for them was the intermediate step from student life at Treloar's to mainstream society.

The person-centred focus of Campbell Court helps tenants to learn life skills, to become as independent as possible and to find out who they are so they can make the decisions that need to be made regarding their future. Tenants work hard as some come with separation issues, mental health issues or access issues. Staff work with tenants in their search for the correct support to make their own decisions, gradually building confidence.

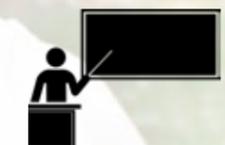
A National Voice

In 2016-17 we worked with senior Civil Servants and Ministers in the Department for Education, Local Authorities and other organisations to ensure the profile of disability and special education was raised, ensuring the Government's future SEN policy is incorporated in our own current and future strategy and ensuring the voice of our students is heard. We held numerous meetings with senior Local Authority staff, including their Strategic Alliances to ascertain their input on our provision, both now and in the future, especially where there may be gaps needing our support.

We stayed close to NASS, NATSPEC and the Council for Disabled Children; national sporting associations such as Parallel London; and lobbying groups such as Muscular Dystrophy and Action CP.



359
EXTERNAL
RESIDENTIAL
GUESTS HOSTED



24
TRAINING
COURSES
OFFERED



43%
GROWTH
IN SERVICES



Living at Campbell Court

Prior to moving into Campbell Court, Thomas was living at home with his mum. They were searching for somewhere that would encourage his independence whilst at the same time keeping him safe. Campbell Court was exactly what they wanted.

Thomas has learned how to approach tasks such as cooking simple meals, personal hygiene and planning the day ahead. He uses a tick chart to help himself as a reminder tool but has learned skills to work as independently as he possibly can.

Treloar's staff have greatly assisted Thomas: "They have helped me to feel more comfortable which has helped me to feel more independent".



STAFFING AND THE CAMPUS

Skilled, hardworking and totally committed to our students, our staff's efforts are instrumental in creating the special environment that helps our students thrive.

Our Staff

Our Staff are our greatest asset. Skilled, hardworking and totally committed to our students, their efforts are instrumental in creating the special environment that helps our students thrive.

By the end of 2016-17, we had a record 780 full and part-time staff on our books including teachers, nurses, therapists, care workers, drivers, chefs, fundraisers, housekeepers, assistive technologists, transition workers and a chaplain. All these professionals work together in multi-disciplinary teams to create a full and integrated service.

We are proud of the wide ranging skills of our staff and are committed to their continuing professional development: 73 staff completed 97 recognised qualifications during the year, including Level 3 Health and Social Care, Level 3 Children and Young People, Level 3 Teaching and Learning in Schools and Level 2 Functional Skills in Maths and English. Our training courses are held as a beacon in our industry and increasing numbers of external organisations sign up to Treloar's run courses to give their own teams exposure to some of the high class training we consider as standard for our own staff.

In an industry struggling to recruit, we are delighted that we finished the year with a full complement of staff, achieved in part through our hard won reputation as a good employer and in part through innovative recruitment from across the UK and in some cases Europe. For the first time ever we attended a recruitment fair in Madrid and recruited student support assistants from Spain.

Benefits at Treloar's are well above the sector norms and provide important flexibility and support to our dedicated staff. Benefits include a contributory pension scheme, subsidised gym membership, childcare voucher scheme

and an HSF Health Cash Plan/HSF Perkbox, which includes discount vouchers for high street shops and internet shopping.

Staff are offered plenty of social opportunities with the opportunity to meet other colleagues through social events including BBQs, Christmas parties, cinema and quiz nights, swimming and other sports and social club events.

We are delighted that our efforts to support and develop our teams have been recognised by Investors in People who have given us their prestigious Gold Award. We also hold the Investors in People Health and Wellbeing Award and were ranked 5th place as a Leader in Diversity by the National Centre for Diversity.

The Campus

The hub of Treloar's services are provided on or from a specially designed campus in Holybourne, just outside the market town of Alton in rural East Hampshire. Totalling 20,000 square meters, the campus houses the School, the Nursery, the College, 5 new or recently refurbished boarding houses, medical centre, therapy gym, technology centre, social club, bocchia court, dining rooms, music centre, swimming pool, hydrotherapy pool, a new rebound therapy suite as well as outdoor space that includes a sports court, an athletics track, an outdoor classroom/wigwam trail, a sensory garden and a horticulture area.

These facilities are used by approximately 170 students during term time and by our 52 week students and other charities to provide respite in the holidays.

It is our extraordinary staff and the resources, funded by local authorities and our generous donors, that enable the experience and outcomes of our students to be so special.



780
STAFF-
LARGEST
EMPLOYER IN
ALTON



97
NEW
QUALIFICATIONS
GAINED



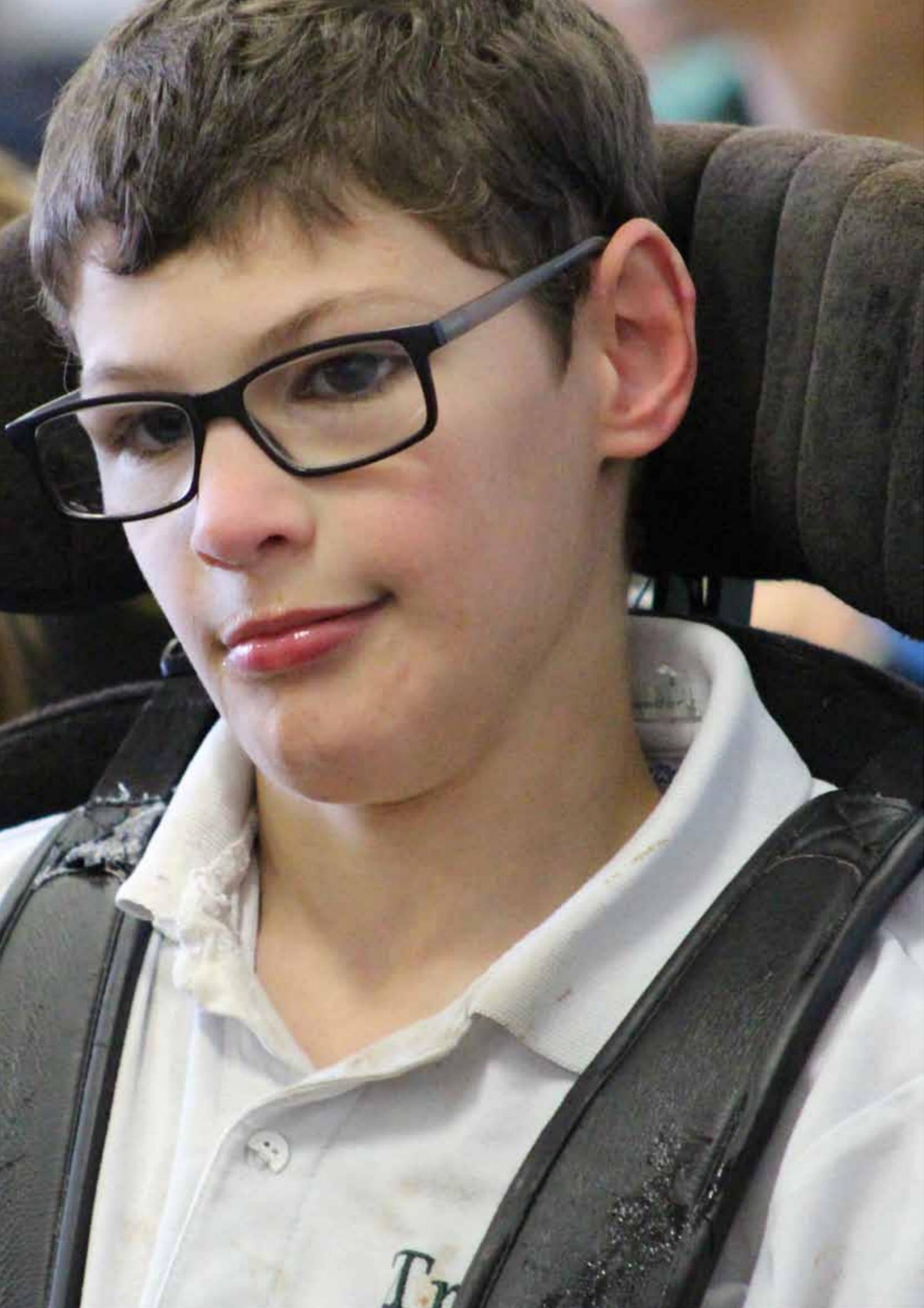
20,000 M²
STATE-OF-THE-ART
FACILITIES



Turlough, Student Support Assistant & Learning Facilitator

Turlough started his career at Treloar's in 2013 working as a Student Support Assistant. In 2014 Turlough took on the role of Co-ordinator for the Sports Leadership Award at Treloar College, having qualified in Sports Leadership level 3 and this was followed by a promotion to a Learning Facilitator role, also at the College.

Turlough has had an exceptional year in 2017 achieving a Commitment to Excellence Award in recognition of his hard work and can-do attitude, contributing to after College activities which are described as imaginative, dynamic and student focused. Turlough was also awarded the 2017 Staff Member of the Year Award.



STRATEGIC REPORT (INCORPORATING THE DIRECTORS' REPORT)

OVERVIEW OF ACTIVITIES

The Trustees of Treloar Trust ("the Charity"), who are also directors of the Charity for the purposes of the Companies Act, present their annual report for the year ended 31 August 2017 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for that year. The accounts comply with the requirements of the Companies Act 2006, the Charity's Memorandum and Articles of Association and the relevant Statement of Recommended Practice (the Charities SORP (FRS 102) issued in July 2014).

The Charity is a registered charity (No. 1092857) and a company limited by guarantee (No. 4466362). Its registered office is shown on the back of this report.

The present Trustees and any past Trustees who served during the year are shown on page 47, together with the names of the senior executive staff and the principal external advisers as at the date of the signing of this report.

The Trustees review the purpose, aims and activities of the Charity each year. This review looks at the achievements during the previous year, beyond the mere finances, and explains the number of beneficiaries assisted and the extent of that assistance. When carrying out the review and planning future activities, the Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Charity's purpose, as set out in the objects clause contained in its Articles of Association, is:
"To promote the relief of persons with disabilities (whether physical or otherwise) ("Beneficiaries") and in particular but without limitation by any or all of the following:

- The promotion, provision and maintenance of schools, colleges and other educational establishments;
- The promotion and provision of care, therapy, treatment and counselling to Beneficiaries;
- The promotion of employment of Beneficiaries whether by way of the creation and operation of workshops and facilities or otherwise; and
- The improvement of knowledge, understanding and awareness of the public into the conditions of life and needs of Beneficiaries and in particular but without limitation by the promotion of research and the publication of the useful results of such research."

The Charity has four main activities: educating young people with physical disabilities, Residential Care, Clinical Services and Outreach Services.





UPDATE ON PLANS AND DEVELOPMENTS

In our 2015/6 annual report we reported on our plans for 2016 and beyond. These plans, together with an update on progress, are described below:

- Focus on the School and College as our primary centres of expertise. Over 90% of our income came from School and College in the year.
- Focus on quality as we continue our quest to be recognised as Outstanding in all areas of our work. Ofsted reviews of College education, School residential and CQC all pronounced 'Outstanding' judgements.
- Fill a gap in the Local Offer of local authorities at a price acceptable to commissioners. This includes supporting students with increasingly challenging conditions and welcoming students outside term time. Unit price increases have been contained below the rate of inflation.
- Invest in our campus facilities to meet the growth in numbers and the growing complexity of the student cohort. £600k spent on the campus during the year including a new rebound therapy suite.
- Identify strategic partners to assist us in delivering our mission to support the wider disabled community, including the viability of options for providing residential accommodation for young adults and using our know how to deliver solutions for the physically disabled in mainstream education. Outreach continues to grow and the Trust continues to provide a 'national' voice.
- Develop a strategy for diversifying income streams. Non-student income grew in the year and a full strategic review was underway by the year end.
- Work in partnership with our students, staff and parents, as well as with other educational and disability organisations and the local community for the benefit of all. Significant increase in work performed with all these stakeholders.
- Fundraise to provide the important extras without recourse to the public purse. £1.42m generated from Fundraising.
- Support our students and other beneficiaries in transition into higher education, employment and independence. Successfully supported four students to transition to their chosen university working closely with university access teams and social services. Supported students alongside local authority agencies such as Surrey Choices improving employability and leading to apprenticeships.
- Report on the progress that our students have made in the years following Treloar's. The Billesden Officer provides this report.

Building on these successes our plans for 2017 and beyond are to:

- Continue to focus on the School and College as our primary centres of expertise.
- Continue to focus on quality as we build on our recent recognition of our provision as Outstanding and ensure that this level of quality is applied to all areas of our work.
- Fill a gap in the Local Offer of local authorities at a price acceptable to commissioners. This includes supporting students with increasingly challenging conditions and welcoming students outside term time.
- Develop a long term strategy to deliver benefit to an increasing number of beneficiaries.
- Continue to develop the Holybourne campus so that it continues to meet the changing needs of our students.
- Act to ensure that we attract, retain and develop the very best staff to support our student cohort.
- Develop our offering to enable ever more medically complex students to benefit from our services.
- Grow Fundraising to over £2m within 3 years.
- Act to support Treloar's students and other beneficiaries as they transition from education.

FINANCIAL REVIEW

2016/17 saw the Trust incur a deficit of £95k, before actuarial gains of £1.39m, (2016: £1.65m surplus) on a turnover of £20.73m (2016: £21.17m) The decline in financial performance was partly due to £0.84m of transitional funding from the EFA in 2016 that was not repeated in 2017 and partly reflected the focus on quality in the year that saw direct staffing levels rise faster than pricing. Nonetheless, the Trust's operations remained cashflow positive in 2016/17 and is confident that its "outstanding" quality judgements will drive increased demand and an improved financial activity performance in 2017/18.

Total student numbers (excluding Nursery) grew by just over 2% to 167, with growth being concentrated in the College, up 15 at 83, whilst School numbers reduced, down 11 to 84. This growth helped charitable activity income grow by 3% (excluding transitional funding) to £19.06m. Other historic drivers of growth such as student complexity were offset by increased part timing of students (especially primary) and by the fact that the increase in student numbers was mid-year.

Donations and legacies, at £1.14m (2016: £1.35m) as well as lottery and events £0.28m (2016: £0.28m), continued to perform adequately in spite of there being no major capital project this year and in the face of a general slow down in charity fundraising nationally. This respectable fundraising performance supported the building of a new rebound therapy suite, the purchase of a large specialist coach and enabled the funding of posts that are not otherwise fully fundable within student fees, such as Assistive Technologists, Transition and a Visual Impairment Adviser.

Expenditures rose by 6.6% to £21.33m as staff grew quickly to support student numbers and need. The increase in expenditures was entirely due to the direct costs of student support with support costs actually falling in the year.

There was an actuarial gain on the Defined Benefit Pension Scheme of £1.39m (2016: £4.79m loss). The gain was recorded because the present value of defined benefit obligations reduced in the year. The scheme assets reduced as well reflecting a new liability driven approach which reduces the net risk of the scheme by hedging against drivers of liability including inflation. As a result of this gain, the Trust's total unrestricted funds grew to £18.3m (2016: £17.1m) and total funds to £28.1m (2016: £26.8m).

Other balance sheet and cash flow highlights included constant cash and term deposits of £3.54m (2016: £3.60m), an increase in debtors of £2.21m to £3.82m and a corresponding increase in creditors, up £2.25m together reflecting an increase in the amount of autumn term invoices raised prior to 31st August. The general reserve grew marginally to £9.12m (2016: £9.02m) and total funds grew by £1.29m to £28.13m.

GROUP STRUCTURE

The Trust has only one subsidiary, Treloar Enterprises Limited (TEL). The subsidiary, which is wholly owned, carries out non-charitable activities for the benefit of the Trust. During the year to 31 August 2017, TEL made an operating profit of £23k (2016: £31k), which, after deductions of directly attributable costs, was donated to the Trust.

The Trust has taken exemption from the production of consolidated financial statements because the figures for the group (incorporating TEL) would not be materially different to those of the Trust as a single entity and has included in the notes to these accounts the results of TEL. The financial statements on the following pages therefore show the assets and operations of the Trust itself rather than the group as a whole.

RESERVES

General reserves available for use by the Trust are deemed to be those that are readily realisable, less funds whose use is restricted or designated for particular purposes. Thus the calculation of general reserves excludes property and other fixed assets that continue to be used in the day-to-day operation of the Trust and in particular the buildings used by the School and College.

The Trustees regularly review the value of the reserves required to be held in investments, cash and cash equivalents not restricted to or designated for any particular purpose. Ideally the Trustees believe that a general reserve of 4 to 6 months expenditure is needed to provide adequate working capital, to create a buffer in case of a sudden reduction in student numbers and to allow for fluctuations in investment returns. At 31 August 2017 the General Reserve was £9.12m (2016: £9.02m), equivalent to 5 months expenditure. The Trustees consider this level of general reserves to be adequate at this time.

The property and equipment fund represents the net book value of tangible fixed assets, which have been purchased with unrestricted funds. This reserve is locked into the value of the estate and can be released only if all or part of the estate is sold. The value of the fund decreased slightly during the year to £16.6m (2016: £17.1m). Restricted Funds £9.84m (2016: £9.71m) represents monies received for a restricted purpose. The vast majority of this fund relates to specific building appeals (£8.61m) and the Billesden fund (£0.54m) given for the supporting and tracking of alumni. The historic defined benefit pension scheme fund deficit relates to the excess of liabilities over assets in the defined benefit scheme. In the year total future obligations fell by £2.66m to £40.1m and the net deficit by £1.52m to £7.84m.

KEY POLICIES

RISK MANAGEMENT

The Trust's risk management policy is based around a hierarchy of an overarching risk management schedule which contains all of the key risks that the organisation is, or potentially could be, exposed to, linked with the relevant mitigating actions, together with a practical risk assessment process and the operational tasks that emanate from it. Responsibility for each area rests with an appropriate member of the Leadership team overseen by a Risk Management Committee of senior executives and Trustees, which regularly reviews the status of each risk and the effectiveness of the management controls. At the highest level, the Trustees receive termly reports in the form of an updated risk management schedule that demonstrates that the appropriate actions have been or are being implemented.

Given the challenging regulatory, economic and social environment within which Treloar School, Treloar College and Fundraising operate, risk management is an essential element of the Trust's management system. It is an organic document constantly modified to reflect changes in government policy and the regulatory framework, the ability to recruit students and the Trust's overall performance.

The key risks that currently face Treloar's and principal mitigating strategies are:

- Inability to recruit students which we manage by close liaison with local authorities to ensure the relevance of our offer, by maintaining the quality of our educational provision and by focused marketing initiatives.
- Nursing/medical error which we manage by maintaining a highly specialised nursing team, strict protocols over medication management and close monitoring of performance indicators.
- Safeguarding failure or adverse regulator opinion. The Trust keeps quality at the forefront of its strategy. The safeguarding risk is managed through recruitment policies, training, risk assessment, operating policy, incident reporting and a dedicated manager.
- Weak fundraising prevents the Charity investing in value adding facilities and opportunities and this risk is managed by generating different types of fundraising and the steerage of a dedicated Trust committee.
- Pension fund deficit requires additional support from the Trust. The Trust uses professional advisers to ensure that investments deliver required returns and hedge liabilities.

EQUAL OPPORTUNITIES

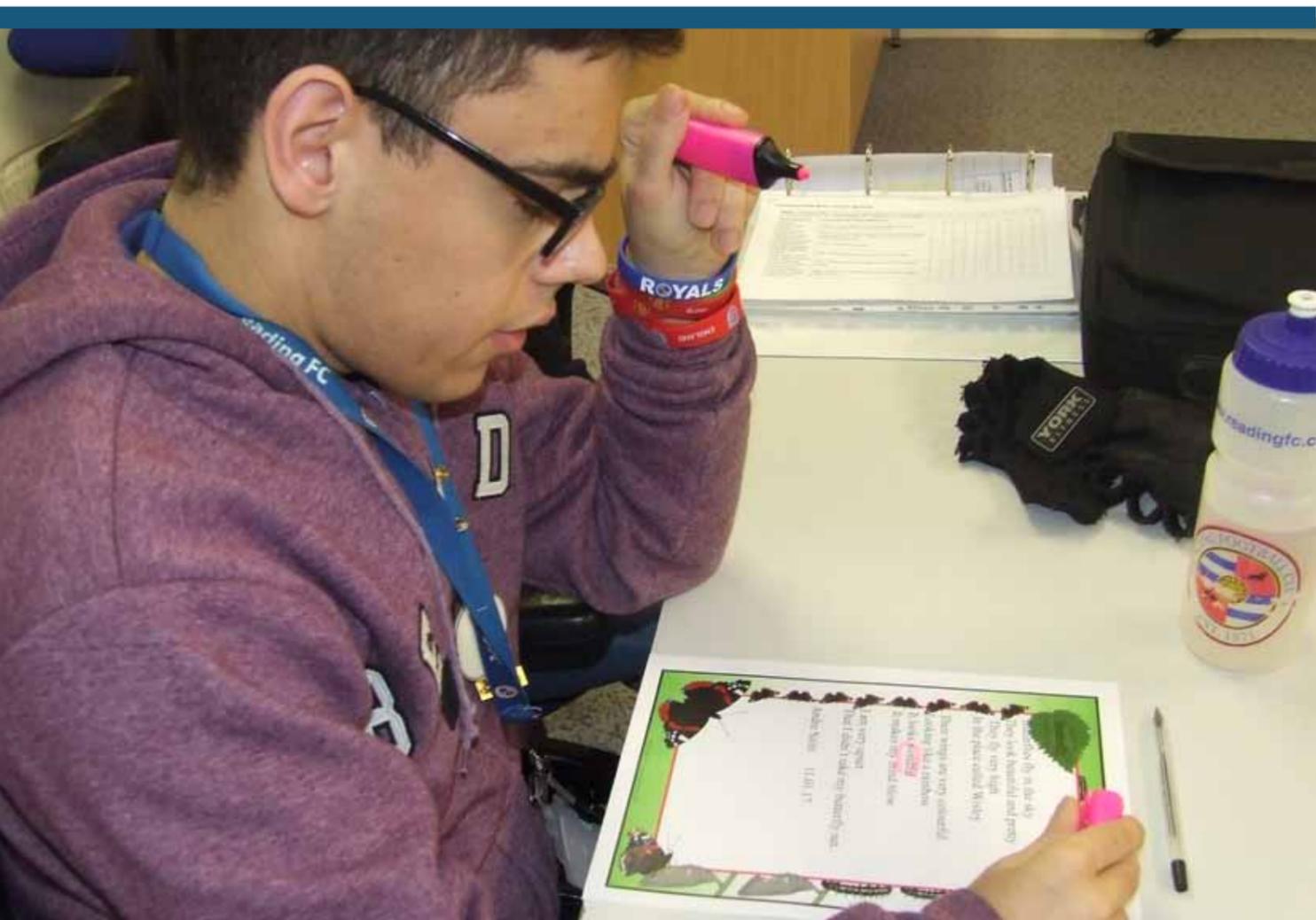
Respecting diversity is one of Treloar's key values and we are committed to being an inclusive organisation where diversity is welcomed and valued. Recognised as a Leader in Diversity by the National Centre for Diversity, its equality and diversity was ranked as 5th overall amongst all organisations nationally.

Treloar's strives to create a culture where people treat each other with mutual respect regardless of age, disability, gender, marital or civil partnership status, pregnancy and maternity, gender reassignment, race, religion and belief or sexual orientation.

Initiatives are headed by a dedicated equality and diversity manager reporting directly to the quality and performance sub-committee of the Governing Body.

COMMUNICATING WITH STAFF AND VOLUNTEERS

Internal communication is a key driver of engagement and feedback at Treloar's. This communication includes: a weekly update to which all staff are invited, fortnightly communication of key matters from the leadership via the Trust's intranet, a "Staff news publication", a monthly Chief Executive's report and an annual briefing on current strategy from the Chief Executive. All teams have staff meetings, there is a Staff Consultation Group and staff and volunteer questionnaires are all used to ensure that communication is genuinely two-way.





GOVERNANCE

The Charity is governed by its Memorandum and Articles of Association adopted in June 2002 and amended in July 2010 and August 2012. The Board of Trustees is responsible for the overall governance of the Charity and meets as a board at least three times a year. In addition there are four Trustee committees covering Finance, Investment and Audit; Risk and Compliance; Fundraising; and Nominations and Remuneration. These committees all meet a minimum of three times a year.

The key aspects of overseeing the School and College are delegated to the Governing Body, which is a sub-committee of the Board of Trustees. The Chairman of the Governing Body and at least three other members of the Governing Body are Trustees, whilst the majority of Governors are independent (i.e. not otherwise a direct stakeholder in the School or College) and have a wide range of relevant professional and management backgrounds. The Governing Body meets at least four times a year.

TRUSTEE SELECTION, INDUCTION AND APPRAISAL

The Board of Trustees reviews regularly the composition of itself, the Governing Body and its various sub-committees through the Nominations and Remuneration Committee. The Trustees look at the blend of experience and skills of all Governors and Trustees to ensure that these meet the needs of the Charity. Where vacancies arise, a recruitment process will be undertaken. This will involve advertising both locally and nationally as well as more informal approaches to individuals who have the relevant skills and experience. Selection is made after a rigorous process including visits to the Charity and interviews by senior staff as well as Trustees and Governors.

All new Governors are invited to attend the standard staff induction days held at the start of each term. Governors are expected to visit the School and College regularly outside the normal meetings of the Governing Body and to undertake training on a continuing basis on subjects relevant to the operations of the School and College.

The Trustees and Governors undertake skill audits, self-evaluations and appraisals on a regular basis. This enables the Trust to either provide training to fill gaps in knowledge or to target recruitment on the necessary skills and experience and to ensure all Trustees and Governors are able to satisfy themselves of their own performance.





STATEMENT OF TRUSTEES' RESPONSIBILITIES AND CORPORATE GOVERNANCE

The Trustees are responsible for preparing the Strategic Report, the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Charity and of the incoming resources and application of those resources, including the income and expenditure, of the Charity for that period.

In preparing these statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CORPORATE GOVERNANCE

The Trustees have overall responsibility for ensuring that the Charity has appropriate systems and controls, financial and otherwise to provide assurance that:

- The Charity is operating efficiently and effectively;
- All assets are safeguarded against unauthorised use or disposition and are properly applied;
- Proper records are maintained and financial information used within the Charity, or for publication, is reliable; and
- The Charity complies with relevant laws and regulations.

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charity'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.

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and appropriate management information is prepared and reviewed regularly by both the executive management and the Trustees. The systems of internal controls are designed to provide reasonable but not absolute assurance against material mis-statement or loss. They include:

- Strategic plans and annual budgets approved by the Trustees;
- Regular consideration by the Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews;
- Delegation of day-to-day management authority and segregation of duties; and
- Identification and management of risks.

All major decisions are reserved to the Trustees and include appointment and remuneration of key management. Executive remuneration is set in consideration of the nature of the role, its responsibilities and market salaries. The Trustees and Governors all give of their time freely.





FUNDRAISING STATEMENT

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fund raising as “soliciting or otherwise procuring money or other property for charitable purposes”. Such amounts receivable are presented in our accounts as “donations and legacies” and as “Other fundraising activities” which includes income from our lottery and events. In relation to this we confirm that all solicitations are now managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the trustees.

The charity is not bound by any undertaking to be bound by any regulatory scheme. However the charity has voluntarily registered with the fundraising regulator and complies with the regulator’s codes of practice. We have received 6 complaints in the year in relation to fundraising activities all of which have been resolved and reported to the regulatory body. Our terms of employment require staff to behave reasonably at all times.

INVESTMENT POWERS, POLICY AND PERFORMANCE

The Articles of Association of the Charity state that it has the power “to deposit or invest funds in any manner as the Trustees shall in their absolute discretion think fit to the intent that the Trustees shall have the same full and unrestricted powers of investing and transposing investments in all respects as if they were beneficially absolute owners...”.

The current investment manager, Ruffer LLP, adopts a total return basis to investment policy whereby both income generation and capital growth are included in calculating the return. Ruffer LLP is targeted to provide a return of RPI plus 4% after fees have been taken into account. The emphasis however is on capital preservation with special focus on “absolute” (rather than “relative”) levels of total returns.

The Defined Benefit Pension Fund investments are held totally separate from the Trust assets and investments. The funds are managed by professional fund managers appointed by the Independent Pension Scheme Trustee, Capita. Capita consults in depth with the Trust before appointing investment managers and when determining the asset allocation policies to be followed.

The Trustees receive quarterly reports on the performance of its funds and the Investment Sub-Committee meets the investment manager twice a year to monitor their performance with the help of external professionals.

The Annual Report and Accounts were approved by the Trustees in their capacity as Directors of the Company on 5 February 2018 and signed on their behalf.

Alistair Mackintosh



INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF TRELOAR TRUST

Opinion

We have audited the financial statements of Treloar Trust ("the Charitable Company") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2017 and of its incoming resources and application thereof for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions related to going concern

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

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

Other information

The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. The other information comprises: the Annual Review and the Strategic Report (incorporating the Directors' Report). The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

- adequate accounting records have not been, 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



James Aston (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, West Sussex

Date 7 February 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account)

Year ended 31 August 2017

	Note	2017			2016		
		Unrestricted £000s	Restricted £000s	Total £000s	Unrestricted £000s	Restricted £000s	Total £000s
Income from:							
Donations and legacies	2	390	745	1,135	636	718	1,354
Charitable activities							
Teaching		7,522	-	7,522	8,259	-	8,259
Medical		4,007	-	4,007	3,886	-	3,886
Care		7,532	-	7,532	7,166	-	7,166
Total income from charitable activities	3	19,061	-	19,061	19,311	-	19,311
Income from other trading activities							
Other fundraising activities		285	-	285	280	-	280
Rent	4	213	-	213	114	-	114
Total income from other trading activities		498	-	498	394	-	394
Investment income	5	97	5	102	104	5	109
Total income		20,046	750	20,796	20,445	723	21,168
Expenditure on:							
Raising funds		858	4	862	797	5	802
Charitable activities							
Teaching		6,758	377	7,135	6,587	341	6,928
Medical		4,099	175	4,274	3,741	144	3,885
Care		8,972	85	9,057	8,251	146	8,397
Total expenditure on charitable activities		19,829	637	20,466	18,579	631	19,210
Total expenditure	6	20,687	641	21,328	19,376	636	20,012
Net gains on investments	8	421	16	437	465	28	493
Net income/(expenditure)		(220)	125	(95)	1,534	115	1,649
Transfers between funds		-	-	-	-	-	-
Actuarial gain/(loss) on defined benefit scheme	16	1,385	-	1,385	(4,790)	-	(4,790)
Net movement in funds		1,165	125	1,290	(3,256)	115	(3,141)
Total funds brought forward		17,133	9,710	26,843	20,389	9,595	29,984
TOTAL FUNDS CARRIED FORWARD		18,298	9,835	28,133	17,133	9,710	26,843

There are no gains or losses other than those shown in the Statement of Financial Activities above. All operations were classed as continuing. The notes on pages 33 to 46 form part of these financial statements.

BALANCE SHEET AS AT 31 AUGUST 2017

	Note	2017		2016	
		£000s	£000s	£000s	£000s
Fixed assets					
Tangible fixed assets	9	25,418		26,087	
Investments	10	7,705		7,254	
Total fixed assets		33,123		33,341	
Current assets					
Stock		8		8	
Debtors	11	3,824		1,611	
Investments	10	244		2,363	
Cash at bank and in hand		3,300		1,240	
Total current assets		7,376		5,222	
Liabilities					
Creditors: Amounts falling due within one year	12	(4,246)		(1,992)	
Net current assets			3,130		3,230
Total assets less current liabilities			36,253		36,571
Provision for liabilities and charges	13	(283)		(376)	
Net assets excluding pension scheme liability			35,970		36,195
Defined benefit pension scheme liability	16	(7,837)		(9,352)	
NET ASSETS			28,133		26,843
The funds of the charity					
Restricted Funds	14		9,835		9,710
Unrestricted funds					
Unrestricted funds held as tangible fixed assets	17	16,619		17,074	
Designated funds	17	396		396	
General reserves	17	9,120		9,015	
Defined benefit pension scheme fund	16	(7,837)		(9,352)	
Total unrestricted funds	17	18,298		17,133	
TOTAL FUNDS			28,133		26,843

Approved by the Board of Trustees on 5/2/18 and signed on its behalf by

Alistair Mackintosh
Trustee



Michael Chadwick
Trustee



Treloar Trust, Company registration number: 4466362

The notes on pages 33 to 46 form part of these financial statements

CASH FLOW STATEMENT

Year ended 31 August 2017

	2017	2016
	£000s	£000s
Reconciliation of net expenditure to net cash flow from operating activities		
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(95)	1,649
Adjustments for:		
Depreciation charges	1,197	1,158
Net profit on sale of Fixed assets	(43)	-
Net gains on investments	(437)	(493)
Investment income shown in investing activities	(102)	(109)
(Increase) in stock	-	(3)
Decrease/(increase) in debtors	(2,213)	3,953
(Decrease)/increase in creditors	2,253	(3,866)
Decrease in provisions for liabilities and charges	(93)	(207)
Net charges for defined benefit pension scheme	(130)	(345)
Net cash provided by operating activities	337	1,737
Statement of cash flows		
Cash flows from operating activities		
Net cash provided by operating activities	337	1,737
Cash flows from investing activities		
Investment income	102	109
Payments for investment properties	(25)	-
Proceeds of sale of tangible fixed assets	115	-
Purchase of tangible fixed assets	(600)	(2,443)
Proceeds of sale of investment	2,221	1,428
Purchase of investments	(2,310)	(1,658)
Net cash used in investing activities	(497)	(2,564)
Change in cash and cash equivalents in the reporting period	(160)	(827)
Cash and cash equivalents at the beginning of the reporting period	3,832	4,659
Cash and cash equivalents at the end of the reporting period	3,672	3,832

Analysis of cash and cash equivalents

Cash at bank and in hand	3,300	1,240
Current asset investments	244	2,363
Cash equivalents held in fixed asset investments	128	229
	3,672	3,832

The notes on pages 33 to 46 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Scope and basis of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value and investment properties as stated in note 10, and are in accordance with the Statement of Recommended Practice: Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (the 'SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Ireland ('FRS 102'), the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2016. The date of transition to FRS102 was 1 September 2014.

The financial statements have been prepared on a going concern basis.

Treloar Trust constitutes a public benefit entity as defined by FRS102.

The preparation of the financial statements in accordance with FRS102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas where assumptions or estimates were significant to the financial statements are disclosed in note 24.

b) Exemption from consolidation

Consolidated financial statements have not been prepared because the figures for the group, incorporating Treloar Enterprises Limited, the Trust's only subsidiary, would not be materially different to those of the Trust as a single entity. The Trustees have included in the notes to these accounts the results of Treloar Enterprises Limited for its accounting year to 31 August 2017. The accounts therefore show the assets and operations of the Trust itself rather than the group as a whole.

c) Fee income

All incoming resources are accounted for in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Where income is received in advance of providing services, it is deferred until the Trust becomes entitled to that income.

Fee income from charitable activities is split between teaching, medical and care based on breakdowns of each area provided to purchasers.

d) Fundraising income

i) Donations are recognised when received or when the organisation is entitled to the income and receipt is probable and measurable. Where income tax is reclaimable such income is included at the gross amount.

ii) Legacies are recognised when received or when the legacy has become accurately quantifiable and has been notified to the Trust as receivable.

iii) Gifts in kind (representing donations of equipment or vehicles) in excess of £250 are treated as income. The value of such donations is the fair value of the gift, usually the cost to the donor.

e) Investment income

Investment income is credited to the Statement of Financial Activities on an accruals basis and is inclusive of the income tax recoverable, where applicable.

f) Rental income

Rental income is accounted for in the period for which the rent has been charged.

g) Expenditure

Revenue and capital expenditure is recognised on an accruals basis inclusive of irrecoverable VAT, where applicable. The Trust directly attributes expenditure in so far as is possible between teaching, medical and care.

Support costs are those which provide indirect support to the Trust and School and College e.g. finance, human resources, facilities, governance costs and IT. Support costs not attributable to a single activity like these have been allocated on a basis consistent with identified cost drivers for that cost category such as staff numbers.

h) Operating leases

Rentals payable are charged on a time basis over the term of the lease.

i) Tangible fixed assets

The cost of tangible fixed assets includes those costs which are directly attributable to purchasing the assets and bringing them into working condition. The Trust does not capitalise interest as part of the cost of tangible fixed assets. The Trust capitalises refurbishment costs and any associated capital expenditure where such work extends the economic useful life of the building or provides new facilities. Normal repairs and maintenance costs are taken to revenue in the year of expenditure.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

1. ACCOUNTING POLICIES (Continued)

Depreciation is provided at the following rates to write off the cost of the Trust's fixed assets over their estimated useful economic lives: -

Fixed buildings for use by School and College	Buildings are depreciated on a straight-line basis over forty years from date of first use.
Transport and motor vehicles	Transport and motor vehicles are depreciated on a straight-line basis between four and seven years from date of acquisition.
Furniture, fixtures and equipment	Furniture, fixtures and equipment are depreciated on a straight-line basis between three and ten years from date of acquisition
Computer equipment	Computers and other IT equipment are depreciated on a straight-line basis between two and four years from date of acquisition.

The Trust's capitalisation policy is to transfer to the balance sheet only capital assets with a cost in excess of £5,000.

j) Investment assets

Freehold investment property	Freehold investment property is reflected at market value where this is deemed materially different from cost.
Listed investments	Listed investments are reflected at market value at the balance sheet date.
Unlisted investments	Unlisted investments are reflected in the balance sheet at cost less provision for any permanent diminution in value or impairment.

Both realised and unrealised profits and losses on investments are reflected in the Statement of Financial Activities.

k) Stocks

Stocks are stated at the lower of cost and net realisable value. Allowance is therefore made for damaged and obsolete goods.

l) Pensions

The Trust operates Defined Contribution Pension Schemes for which contributions are charged to the Statement of Financial Activities as they are incurred.

The Trust also contributes to the Teachers Pension Scheme (England and Wales) at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer scheme and as such it is not possible to identify the assets and liabilities which are attributable to the Trust. Therefore, in accordance with FRS 102, the scheme is accounted for as a defined contribution scheme.

The Trust also operates a Defined Benefit Pension Scheme, which was closed to future service accrual on 31 December 2007. The contributions are paid at rates agreed with the Scheme Actuary and, together with actuarial gains and losses, are charged to the Statement of Financial Activities.

m) Reserve funds

The policy of the Trustees is to maintain in a designated fund such sums as they deem prudent for the future refurbishment and development of those assets used for the primary purpose of the Trust.

The Trustees have also established a general reserve to provide working capital to create a buffer in case there is a sudden reduction in student numbers and to allow for fluctuations in investment returns. The Trustees' policy is to seek to retain a buffer equal to four to six months of normal operating expenditure.

The Trustees have also established a Property and Equipment Fund for Assets tied up in the campus at Holybourne and thus not readily realisable.

A pension reserve is included within unrestricted funds to reflect the pension deficit on the Defined Benefit Pension Scheme.

n) Cash and cash equivalents

The policy for the management of cash and cash equivalents is defined by the financial commitments of the Trust. The Trust aims to keep funds on deposit until such time as they are needed to pay for designated projects, as highlighted within the notes to the accounts. Cash held on deposit with a maturity of three months or less are considered as cash equivalents.

o) Provisions

A provision is made in the accounts where the Trust has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

1. ACCOUNTING POLICIES (Continued)

p) Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade debtors, prepayments, creditors and provisions are initially recognised at transaction value and subsequently measured at their settlement value.

2. DONATIONS AND LEGACIES

	2017			2016		
	Income	Direct Expenditure	Support Costs	Income	Direct Expenditure	Support Costs
	£000s	£000s	£000s	£000s	£000s	£000s
Gifts and legacies						
Unrestricted	390			636		
Restricted	745			718		
Total	1,135	376	94	1,354	332	58
Events	122	89	22	152	91	15
Lottery	163	103	25	128	57	10
Marketing	-	63	15		130	23
TOTAL	1,420	631	156	1,634	610	106

3. INCOME FROM CHARITABLE ACTIVITIES

Income generated from charitable activities have been allocated over the three primary activities of the Charity. The 2017 teaching number includes nil (2016 - £0.84m) of income received from the EFA under a transitional protection scheme.

4. RENT

	2017	2016
	£000s	£000s
Lettings income	134	62
Estate rents and wayleaves	79	52
Total	213	114

All items relate to unrestricted activities.

5. INVESTMENT INCOME

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	2017	Funds	Funds	2016
	£000s	£000s	£000s	£000s	£000s	£000s
Income from trading subsidiary	23	-	23	31	-	31
Income from listed investments	62	5	67	49	5	54
Interest on fixed term deposits	4	-	4	20	-	20
Interest receivable	8	-	8	4	-	4
Total Investment Income	97	5	102	104	5	109

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

6. EXPENDITURE

	Direct				Direct			
	Staff	Other	Support	Total	Staff	Other	Support	Total
	Costs	Costs	Costs	2017	Costs	Costs	Costs	2016
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Raising funds	378	313	171	862	390	293	119	802
Charitable activities								
Teaching	4,576	409	2,150	7,135	4,294	405	2,229	6,928
Medical	3,040	198	1,036	4,274	2,681	192	1,012	3,885
Care	5,774	203	3,080	9,057	5,037	209	3,151	8,397
Total charitable activities	13,390	810	6,266	20,466	12,012	806	6,392	19,210
Total Expenditure	13,768	1,123	6,437	21,328	12,402	1,099	6,511	20,012

The support costs can be analysed as follows:

	2017					2016				
	Raising Funds	Teaching	Medical	Care	Total	Raising Funds	Teaching	Medical	Care	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Facilities	61	761	367	1,090	2,279	44	827	376	1,169	2,416
Depreciation	32	400	193	573	1,198	21	397	180	561	1,158
Finance and Payroll	8	98	47	141	294	5	99	45	139	288
HR and Training	19	234	113	337	703	13	240	109	340	702
IT	15	190	91	272	568	10	185	84	261	539
Transport	5	70	33	99	207	4	67	30	95	196
Governance	19	246	119	353	738	14	255	116	361	746
Misc	12	150	72	215	450	8	159	72	225	465
	171	2,150	1,036	3,080	6,437	119	2,229	1,012	3,151	6,511

All support costs are divided between the four main headings using the full time equivalent staff numbers employed within those four sections each year.

Included in the above figure is insurance at a cost of £5,320 (2016: £4,839) which was taken out over the year to cover Trustees, Governors and Officers of the Trust against legal liability arising from acts of neglect, error or omission.

	2017	2016
	£000s	£000s
Audit (for the Charity, School and College)	22	27
Other services	2	2
Taxation	3	2

7. STAFF COSTS AND TRUSTEE EXPENSES

The support costs can be analysed as follows:

	2017	2016
	£000s	£000s
Wages and salaries	14,333	13,151
Employer's NIC	1,028	933
Employer's pension costs	1,224	1,133
	16,585	15,217

Not included in the above are benefits in kind amounting to £6,783 (2016: £8,466), which were received by staff during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

7. STAFF COSTS AND TRUSTEE EXPENSES (Continued)

	2017	2016
	£000s	£000s
Employer's pension costs comprise the following:		
Teachers pension scheme (Note 16)	226	189
Employer contribution to Treloar's group personal pension scheme (Note 16)	588	589
Defined benefit pension scheme		
Expected interest cost less expected return (Note 16)	410	355
	1,224	1,133

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

	Full Time Equivalents	
	2017	2016
Teaching	164	150
Medical	79	68
Care (inc catering)	235	236
Facilities and ancillary	105	78
Fundraising	10	8
Marketing	3	4
Outreach projects	1	1
Total FTE	597	545
Total average employees by headcount	780	719

The following numbers of staff received remuneration in excess of £60,000 in the year:

	2017	2016
£60,001 to £70,000	1	1
£70,001 to £80,000	1	3
£100,001 to £110,000	1	2
£110,001 to £120,000	1	-

The total amount of employee benefits received by key management personnel for their services during the year is £371,020 (2016: £333,517).

Three (2016: three) of the above members of staff accrued benefits under the Treloar's group personal pension scheme and £34,629 (2016: £15,522) was paid by the Trust to the scheme in respect of these members.

The Trustees received no remuneration for their services as Trustees during the period (2016: Nil). One Trustee was reimbursed £233 during the period for travel and other costs incurred in connection with the work of the charity (2016: £227).

8. GAINS AND LOSSES ON INVESTMENTS

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	2017	Funds	Funds	2016
	£000s	£000s	£000s	£000s	£000s	£000s
Realised gains and (losses) on listed investments	107	16	123	(195)	(12)	(207)
Unrealised gains on investment property	275	-	275	78	-	78
Unrealised gain on listed investments	39	-	39	582	40	622
	421	16	437	465	28	493

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

9 TANGIBLE FIXED ASSETS

	Opening			Closing
	Balance	Additions	Disposals	Balance
	£000s	£000s	£000s	£000s
Cost				
Freehold land and buildings	33,875	373	-	34,248
Plant, machinery and motor vehicles	3,261	227	(114)	3,374
	37,136	600	(114)	37,622

	Opening	Charge for		Closing
	Balance	Year	Disposals	Balance
	£000s	£000s	£000s	£000s
Depreciation				
Freehold land and buildings	(8,699)	(834)	-	(9,533)
Plant, machinery and motor vehicles	(2,350)	(363)	42	(2,671)
	(11,048)	(1,197)	42	(12,204)

	Opening	Additions		Closing
	Balance	less charges	Disposals	Balance
	£000s	£000s	£000s	£000s
Net Book Value				
Freehold land and buildings	25,176	(461)	-	24,715
Plant, machinery and motor vehicles	911	(136)	(72)	703
	26,087	(597)	(72)	25,418

10. INVESTMENTS

	Total	Total
	2017	2016
	£000s	£000s
Fixed asset investments		
Listed investments - UK	2,569	2,522
Listed investments - non-UK	4,047	3,841
Investment properties	917	617
Subsidiaries and associated undertakings	25	25
Unlisted investments	19	19
Bank deposits	128	230
	7,705	7,254

	Total	Total
	2017	2016
	£000s	£000s
Current asset investments		
UK Investments - Deposits	244	2,363
	Total	Total

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

10. INVESTMENTS (Continued)

	2017	2016
	£000s	£000s
Listed investments		
Market value of assets as at 1 September	6,363	5,718
Additions	2,310	1,658
Disposal proceeds	(2,219)	(1,428)
Net unrealised investment gains	39	623
Net realised investment gains/(losses)	123	(208)
Market value of assets as at 31 August	6,616	6,363
Historical cost as at 31 August	5,833	5,620

	Total	Total
	2017	2016
	£000s	£000s
Investment Properties (all UK)		
Valuation at 1 September	617	539
Additions	25	-
Revaluation	275	78
Valuation at 31 August	917	617
Historical cost as at 31 August	126	111

The Trustees have revalued 3 Ryebidge Cottage at £425,000 based on the value of the neighbouring properties sold. The Trustees have previously revalued Howards Farm at £379,200, based on the long term yield value of the property. The Trustees have revalued The Vale, Shirley at £113,000, based on the yield value of the property. All valuations will be continuously monitored to ensure material market valuations are reflected in the balance sheet.

	Total	Total
	2017	2016
	£000s	£000s
Unlisted investments		
Cost and valuation at 31 August	19	19

The Trustees consider that the market value of the above investments is not significantly different from their cost.

Trading Subsidiary

The Trust owns all the issued share capital of Treloar Enterprises Limited. Its principal activities are the letting of facilities and the retail presence of the Trust both physically and on line. The company also acts as the main contractor for the Trust's building projects.

The trading subsidiary gift aids its profit to the Trust. Its trading results for the year ended 31st August were:

	2017	2016
	£000s	£000s
Turnover	177	183
Cost of sales	(149)	(143)
Gross profit	28	40
Administration expenses	(5)	(9)
Gift aided payment	(23)	(31)
Profit on ordinary activities before taxation and interest	-	-
Retained profit for the year	-	-
Retained profit brought forward	3	3
Retained profit carried forward	3	3
Net assets (all equity interests)	28	28

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

11. DEBTORS

	2017	2016
	£000s	£000s
Fees billed in advance	2,643	-
Trade debtors	693	1,000
Other debtors	274	417
Amounts due from group undertaking	-	-
Prepayments	214	194
	3,824	1,611

All amounts shown under debtors are due for payment within one year.

12. CREDITORS: Amounts falling due within one year

	2017	2016
	£000s	£000s
Trade creditors	199	125
Income in advance	3,268	507
Taxes & social security costs	330	345
Other creditors	47	85
Accruals	364	915
Amounts due to group undertaking	38	15
	4,246	1,992

13. PROVISIONS

	Fees	Other	Total
	£000's	£000's	£000's
At 1 September 2016	249	127	376
Payments during the year	-	-	-
Increases/(Decreases) in provision	(125)	32	(93)
At 31 August 2017	124	159	283

Amounts are expected to be incurred - within one year

124 159 283

The fee provision reflects refunds due where services provided are below initial agreements. Other provisions include trade debtors, provision for untaken holiday, sickness provision and for employment disputes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

14. RESTRICTED FUNDS

	Balance	Movement in	Resources	Transfers	Gains on	Balance
	31-Aug-16	Incoming	Outgoing	In/(out)	Investments	31-Aug-17
	£000's	£000's	£000's	£000's	£000's	£000's
Specific appeals fund						
Specific equipment appeals	195	-	(38)	30	-	187
Specific building appeals	8,818	-	(270)	66	-	8,614
Total specific appeals fund	9,013	-	(308)	96	-	8,801
Other restricted funds						
Billesden fund	512	27	(16)	-	16	539
Campbell sports fund	23	2	(12)	-	-	13
IMPact	48	7	(18)	-	-	37
Assistive technology	-	80	(80)	-	-	-
Transition	1	76	(76)	-	-	1
Outreach services	11	-	(11)	-	-	-
Motor Vehicles	-	279	-	-	-	279
VI adviser	-	5	(5)	-	-	-
Pushing the boundaries	14	8	(12)	-	-	10
Dietitian	-	25	(25)	-	-	-
Artist in Residence/Artsweek	-	11	(6)	-	-	5
Music therapy	-	20	(10)	-	-	10
Independent living	-	15	(15)	-	-	-
AAC, AT, Physio and other Equipment	37	90	(29)	(30)	-	68
Outdoor learning	-	20	(1)	(10)	-	9
BELONG	25	5	(9)	-	-	21
Rebound therapy room	-	22	-	(22)	-	-
Vision Sports	-	20	-	(20)	-	-
Other	26	38	(8)	(14)	-	42
Total other restricted funds	697	750	(333)	(96)	16	1,034
Total restricted funds	9,710	750	(641)	-	16	9,835

Where donations are received for particular items of expenditure, such amounts are credited to the Trust's restricted funds. If an operational area of the Trust discharges such expenditure out of its unrestricted funds, the amount is transferred out of the restricted funds to reimburse the expenditure. Other expenditure is paid directly out of the restricted funds.

Specific appeals fund – capital funds from appeals for new buildings and specific equipment including the new Vision Treloar's buildings, Brewer House hall of residence, Evans House hall of residence, minibus, Treloar's Direct assets and other special equipment.

The Billesden fund – was established in 1984 by the Merchant Taylors' and Skinners' Companies to provide assistance with the aftercare and vocational training of students, includes the Billesden officer post which is a research post which provides data on Treloar leavers in order to inform the priorities and direction of the transition strategy.

Campbell sports fund – enables students to participate in sailing and other sporting activities.

The Independent Mobility Project (IMPact) - provides the most appropriate wheelchair for every student in need at the College and the School, to give them optimum independence.

Assistive Technology fund – supports assistive technology work carried out in the Trust.

Transition – providing support to students to prepare them for the transition from Treloar's back into the community, supporting independence and helping them realise their full potential.

Outreach services - extending the reach of our expertise and support so that it is available to people with disabilities in the wider community, delivered both at our Holybourne campus and at clients' sites.

Motor Vehicles - funds raised for the acquisition of new coach in 2017/18.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

14. RESTRICTED FUNDS (Continued)

	Balance	Movement in	Resources	Transfers	Gains on	Balance
	31-Aug-15	Incoming	Outgoing	in/(out)	Investments	31-Aug-16
	£000's	£000's	£000's	£000's	£000's	£000's
Specific appeals fund						
Specific equipment appeals	211	-	(57)	41	-	195
Specific building appeals	8,723	-	(269)	364	-	8,818
Total specific appeals fund	8,934	-	(326)	405	-	9,013
Other restricted funds						
Billesden fund	479	20	(15)	-	28	512
Campbell sports fund	26	5	(8)	-	-	23
IMPact	51	9	(12)	-	-	48
Assistive technology	-	54	(47)	(7)	-	-
Transition	1	111	(111)	-	-	1
Outreach services	16	14	(19)	-	-	11
VI adviser	-	9	(9)	-	-	-
Pushing the boundaries	15	-	(1)	-	-	14
Dietitian	-	14	(14)	-	-	-
Music therapy	3	4	(7)	-	-	-
Independent living	-	15	(15)	-	-	-
AAC,AT, Physio and other Equipment	7	73	(11)	(34)	-	35
Outdoor learning	11	1	(12)	-	-	-
Nursery	35	1	(16)	(15)	-	5
BELONG	-	34	(9)	-	-	25
Gauvain refurbishment	-	349	-	(349)	-	-
Other	17	10	(4)	-	-	23
Total other restricted funds	661	723	(310)	(405)	28	697
Total restricted funds	9,595	723	(636)	-	28	9,710

VI adviser – supports the work of the Visual Impairment adviser.

Pushing the boundaries – has been established to raise funds to allow students to experience activities not normally associated as being available to people with disabilities such as abseiling and rock climbing.

Dietitian – supports the work of an on-site dietitian.

Music therapy – set up in recognition of the emotional benefits and alternative communication opportunities that music can provide for young people with disabilities.

Independent living – supports the work of an on-site occupational therapist to develop our students' community and life skills so they are able to live as independently as possible.

AAC, Assistive technology and physio equipment – support the equipment purchases of the speech & language therapists (alternative & augmentative communications equipment), the physiotherapists and the assistive technology engineers respectively.

Outdoor learning – enriching the outdoor areas of our campus to provide an interactive learning environment for our students.

BELONG – funds raised for the equipping of the new BELONG area.

Rebound Therapy room – funds raised for the conversion of a classroom into a rebound therapy room.

Vision Sports – funds raised retrospectively for the sports track and field.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2017			2016		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds		Funds	Funds	
	£000s	£000s	£000s	£000s	£000s	£000s
Tangible fixed assets	16,617	8,801	25,418	17,074	9,013	26,087
Investments	7,166	539	7,705	6,773	481	7,254
Net current assets	2,635	495	3,130	3,013	216	3,229
Total assets less current liabilities	26,418	9,835	36,253	26,860	9,710	36,570
Provisions	(283)	-	(283)	(375)	-	(375)
Pension scheme liability	(7,837)	-	(7,837)	(9,352)	-	(9,352)
TOTAL NET ASSETS	18,298	9,835	28,133	17,133	9,710	26,843

16. PENSIONS

The total pension cost charged to the Statement of Financial Activities for the Year, excluding the movement on actuarial gains and losses, for all the schemes was £1,223,946 (2016: £1,132,857).

Teachers Pension Scheme (England and Wales)

Under the definitions set out in Financial Reporting Standard 102, the Teachers Pension Scheme (TPS) is a multi-employer pension scheme. As the TPS is underwritten by central government and the Trust has no future obligation to make contributions to the scheme, this is effectively a defined contribution scheme in so far as it affects the Trust. Contributions by the Trust during the period totalled £226,308 (2016: £189,348).

As at 31 August 2017 contributions were being made into the scheme on behalf of 42 (2016: 37) members of staff. The last actuarial valuation dated March 2012 showed that the Teachers Pension Scheme (England and Wales) is in deficit. Under current accounting regulations there is no requirement for any employer to account for its share of the deficit. The latest actuarial valuation was undertaken in March 2016 and the results of this are expected in June 2018.

Treloar Group Personal Pension Scheme

The Trust operates a defined contribution scheme to provide retirement benefits for its employees who are not members of the Teachers Superannuation Scheme. Because the Trust makes contributions of at least 1.5% of participating salaries to the Group Personal Pension Scheme, it does not have to offer a Stakeholder Plan. Contributions by the Trust during the period totalled £587,638 (2016: £588,509). At 31 August 2017 contributions were being made into the Scheme on behalf of 610 (2016: 559) members of staff.

Treloar Defined Benefit Pension Scheme

Treloar Trust (the Trust) operates the Federated Pension Scheme for Treloar Trust (the scheme), a UK registered trust based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Pension Scheme Trustees are responsible for running the Scheme in accordance with the Scheme's Trust Deed and rules, which sets out their powers. The Pension Scheme Trustees are required to act in the best interests of the beneficiaries of the Scheme. There are two categories of pension scheme members; deferred members: current and former employees of the Trust who are not yet in receipt of pension, Pensioner members: in receipt of pension.

The Pension Scheme Trustees are required to carry out an actuarial valuation every 3 years. The actuarial valuation of the Scheme was performed by the Scheme Actuary for the Pension Scheme Trustees as at 31 March 2015. This valuation revealed a funding shortfall of £3.6 million. In respect of the deficit in the Scheme as at 31 March 2015, the Trust has agreed to pay £540,000 pa for 8 years and 6 months from 1 April 2016. The Trust therefore expects to pay £540,000 to the Scheme during the accounting year beginning 1 September 2017.

PRINCIPAL ASSUMPTIONS

	31-Aug-17	31-Aug-16
	% pa	% pa
Discount rate	2.4	2.0
Retail Prices Index (RPI) Inflation	3.1	2.8
Consumer Prices Index (CPI) Inflation	2.1	1.8
Future increases in deferred pensions (other than on GMPs)	3.0	3.0
Rate of increase to pensions in payment:		
Fixed	In line with Scheme rules	
LPI (max 5%) based on RPI	3.0	2.75
LPI (max 2.5%) based on RPI	2.30	2.10
LPI (max 3%) based on CPI	1.90	1.70

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

16. PENSIONS (Continued)

	31-Aug-17	31-Aug-16
	% pa	% pa
Post retirement mortality	S2PxA CMI 2017/(2016) with 1.2%pa long term rate (year of birth)	
Life expectancy of male aged 60 at balance sheet date	86.7	86.8
Life expectancy of male aged 60 in 20 years from balance sheet date	88.3	88.6
Life expectancy of female aged 60 at balance sheet date	88.6	88.9
Life expectancy of female aged 60 in 20 years from balance sheet date	90.3	90.9

For the avoidance of doubt the above assumptions are in absolute terms.

Asset breakdown

The major categories of scheme assets as a percentage of total scheme assets were:

	31-Aug-17	31-Aug-16
	%	%
Newton Managed Targeted Return Fund	37.1	29.8
Standard Life Global Absolute Return Strategies	10.0	27.0
Bonds	18.7	19.0
Insurance contracts	6.5	7.1
Gilts and Cash	0.5	17.1
LDI	27.2	0.0
Total	100.0	100.0

The pension scheme has not invested in any of Treloar Trust's own financial instruments, nor in properties or other assets used by Treloar Trust.

The assets are all quoted in an active market with the exception of the insured pensions.

Net defined benefit asset (liability)

	31-Aug-17	31-Aug-16
	£000s	£000s
Fair value of Scheme assets	32,262	33,407
Present value of defined benefit obligation	(40,099)	(42,759)
Defined benefit (liability) recognised in the balance sheet	(7,837)	(9,352)

Total expense recognised in Statement of Financial Activities

	31-Aug-17	31-Aug-16
	£000s	£000s
Administration expenses	226	183
Net interest on the net defined benefit liability	184	172
Total recognised in the Statement of Financial Activities	410	355

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

16. PENSIONS (Continued)

Total amounts taken to Other Comprehensive Income

	31-Aug-17	31-Aug-16
	£000s	£000s
Actual return on scheme assets - (losses) and gains	(120)	4,274
Less: amounts included in net interest on the net defined benefit liability	(658)	(1,089)
Remeasurement gains and (losses) - return on scheme assets excluding interest income	(778)	3,185
Remeasurement gains and (losses) - actuarial gains and (losses)	2,163	(7,975)
Remeasurement gain/(loss) recognised in Other Comprehensive Income	1,385	(4,790)

Changes in the present value of the defined benefit obligation

	31-Aug-17	31-Aug-16
	£000s	£000s
Present value of defined benefit obligation at beginning of period	42,759	34,633
Benefits paid including expenses	(1,339)	(1,293)
Administration costs	-	183
Interest cost	842	1,261
Remeasurement (gains) and losses - assumptions actuarial (gains) and losses	(2,163)	8,754
Remeasurement (gains) and losses - experience actuarial (gains) and losses	-	(779)
Present value of defined benefit obligation at end of period	40,099	42,759

Changes in the fair value of assets

	31-Aug-17	31-Aug-16
	£000s	£000s
Fair value of Scheme assets at the beginning of period	33,407	29,726
Interest income	658	1,089
Remeasurement gains and (losses) - Return on scheme assets excluding interest income	(778)	3,185
Contributions by Employer	540	700
Administration expenses	(226)	-
Benefits paid including expenses	(1,339)	(1,293)
Fair value of Scheme assets at the end of period	32,262	33,407

17. MOVEMENT ON RESERVES

	Opening				Closing
	Balance	Net Income/ (Expenditure)	Transfers	Gains and Losses	Balances
	01-Sep-16	01-Sep-16	31-Aug-17	31-Aug-17	31-Aug-17
	£000s	£000s	£000s	£000s	£000s
Unrestricted Fund held as Tangible Fixed Assets: Property and Equipment Fund	17,074	-	(455)	-	16,619
Designated Fund: Repairs and Improvement Fund	396	-	-	-	396
General reserves	9,015	(350)	455	-	9,120
Defined benefit pension scheme fund	(9,352)	130	-	1,385	(7,837)
	17,133	(220)	-	1,385	18,298

	Opening				Closing
	Balance	Net Income/ (Expenditure)	Transfers	Gains and Losses	Balances
	01-Sep-15	01-Sep-15	31-Aug-16	31-Aug-16	31-Aug-16
	£000s	£000s	£000s	£000s	£000s
Unrestricted Fund held as Tangible Fixed Assets: Property and Equipment Fund	15,868	-	1,206	-	17,074
Designated Fund: Repairs and Improvement Fund	2,100	-	(1,704)	-	396
General reserves	7,328	1,189	498	-	9,015
Defined benefit pension scheme fund	(4,907)	345	-	(4,790)	(9,352)
	20,389	1,534	-	(4,790)	17,133

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

17. MOVEMENT ON RESERVES (continued)

The property and equipment fund represents the net book value of the tangible fixed assets held for charitable purposes less the amount financed by restricted funds. Since this fund represents existing fixed assets (mainly buildings) it cannot be converted easily into cash and therefore cannot be used to fund other activities.

The repairs and improvement fund represents money set aside by the Trustees towards the finance of special maintenance work and planned major improvements to facilities.

The Trustees have also established free reserves to provide working capital to create a buffer in case there is a sudden reduction in student numbers and to allow for fluctuations in investment returns. The Trustees' policy is to seek to retain a buffer equal to at least four months of normal operating expenditure.

18. ENTITLEMENT TO LEGACIES

The Trust is aware of possible future receipts from legacies, arising on deaths prior to 31 August 2017 where the exact sums are not quantifiable and these are believed to be in the order of £12,094 (2016: £41,358).

19. CAPITAL COMMITMENTS

As at 31 August 2017, there were no major capital commitments of the Trust.

20. TAXATION STATUS

Treloar Trust is a registered charity and no tax is payable on its charitable income. The Trust is not registered for VAT and expenditure is shown inclusive of VAT where chargeable.

22. SHARE CAPITAL

The Trust has no share capital and is limited by guarantee. The liability of each member in the event of a winding up, as stated in the Articles of Association, is limited to £1.

23. RELATED PARTY DISCLOSURE

The balance due at 31 August 2017 to Treloar Enterprises Limited (TEL), the Trust's trading subsidiary, by the Trust was £37,996 (2016: £15,268). Transactions between the Trust and TEL comprised £135,554 (2016: £136,231), including a donation of profits of £23,224 (2016: £31,313).

Roger Southam (Trustee) is a director of Savills International Ltd. Treloar contracted with Savills (UK) Ltd to provide a valuation of an investment property at a cost of £1,856.

The Trust granted to TEL the head lease over flats at Campbell Court. In the year ended 31 August 2017 the Trust was due £60,480 (2016: £60,480) in rent and service charges for these flats.

24. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the trustees are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown in note 1 to the financial statements.

Actuarial assumptions in respect of defined benefit pension scheme

The application of actuarial assumptions relating to the defined benefit pension scheme is incorporated in the financial statements in accordance with FRS102. In applying FRS102, advice is taken from an independent qualified actuary. In this context, significant judgement is exercised in a number of areas, including future changes in inflation, mortality rates and the selection of appropriate discount rates.

Pension scheme deficit reduction payments

As explained in note 16, there is a deficit reduction plan in place in respect of the defined benefit pension scheme. FRS102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

Bad debt provision

Consideration is given to debtors which are past their due date as at the balance sheet date and a provision is made against these debts based on both specific information and experience.

Investment Properties

Values of investment properties are constantly monitored to ensure that material fair values are reflected within the financial statements. These include judgements on the correct basis of valuation to apply, yield values of these properties where this basis is used and assessment of the most appropriate yield basis. All of these matters include some form of uncertainty around these judgements.

OFFICERS AND PROFESSIONAL ADVISERS

TRUSTEES

Alistair Mackintosh BSc MBA

Michael Chadwick ACA CTAI

Michael Del Mar

Jane Cooke

Nick Wilson BA

Max Lyons RIBA FRSA

Sir Alex Allan KCB MA MSc

Dr Helen Harvey BSc PhD

Pamela Charlwood BA

Simon Taylor BA

Roger Southam BSc (Hons) FRICS FIRPM FARLA

James Bateson LLB

Rhys Iley

Brian McNamara BSc MBA

David Matthews BSc CA

(Chairman of Treloar Trust)

(Chairman of Governors, Treloar School and College)

(resigned 31/08/2017)

(resigned 30/03/2017)

(resigned 31/08/2017)

(resigned 21/07/2017)

(resigned 21/07/2017)

(appointed 19/01/2017)

(appointed 30/03/2017)

(appointed 30/03/2017)

(appointed 30/03/2017)

(appointed 30/03/2017)

HONORARY TRUSTEE

Rt. Hon. The Lord Mayor of The City of London

ROYAL PATRON

HRH The Countess of Wessex GCVO

PATRONS

Sir Alan Traill GBE QSO MA

Dan Bentley

Ben Rushgrove

David Smith MBE

Damon de Laszlo DL

Michael Campbell MBE DL

Michael Cassidy CBE BA MBA

Sir Richard Stilgoe OBE DL

Canon Roger Royle

Robert Powell MA

Sir David Brewer KG CMG JP

Lady Tessa Brewer OBE

Jeff Stelling

Nigel Spackman

Roger Black MBE

Ade Adepitan MBE

Sascha Kindred CBE

The Right Reverend David Williams

Bishop of Basingstoke

Julie Fernandez

Stuart C Boreham

Alan Titchmarsh MBE DL

Alastair Stewart OBE

Dame Jacqueline Wilson DBE FRSL

Admiral Sir Jock Slater GCB LVO DL

Michael Aspel OBE

Humphrey Hawksley

SENIOR EXECUTIVES

Tony Reid BA

Martin Ingram BSc PGCE

Simon Birch BA MBA ACA

Jon Colville BA DMS DipM

Kay Griffiths BSc FCIPD

Chief Executive, Company Secretary and Clerk to Governing Body

Principal of Treloar School and College

Finance and Resources Director

Head of Fundraising

Head of Human Resources

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Treloar's
Enabling Education