

TAVERHAM HIGH SCHOOL

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 5 MONTHS ENDED 31 AUGUST 2013

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

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TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE 5 MONTHS ENDED 31 AUGUST 2013**

Governors

Andre Korolus (appointed 6 September 2012)^{1,2}
Ronald Munson (appointed 6 September 2012, resigned 31 October 2013)¹
Margaret Garwood, Chair (appointed 6 September 2012)^{1,2}
Verity J Hanson (appointed 30 April 2013)
Andrew Drummond (appointed 30 April 2013)
Margaret R Divey (appointed 30 April 2013)
Jeremy A Fry (appointed 30 April 2013)
Jonathan Foot (appointed 30 April 2013)¹
John D Smith (appointed 30 April 2013)
Timothy W Aldous (appointed 30 April 2013)¹
Elizabeth A Waller (appointed 30 April 2013)
Gavin H Struthers (appointed 30 April 2013)¹
Samantha L Floyd (appointed 30 April 2013, resigned 31 August 2013)
Paul Seabrook (appointed 1 July 2013)
Dale Timbers (appointed 1 July 2013)
Joanna Ellis (appointed 1 July 2013)
Stephen G Artis (appointed 1 July 2013)
Peter Whear, Head Teacher (appointed 1 September 2013)
Keith Ratcliffe (appointed 30 April 2013)

1 Member of Finance Committee
2 Members/Trustees

Company registered number 08204680

Principal and registered office Beech Avenue
Norwich
Norfolk
NR8 6HP

Company secretary Marion Brown

Senior management team

Peter Whear, Headteacher
Elizabeth Plater, Deputy Headteacher
Shirely Naisby, Assistant Headteacher
Rebecca Paterson, Assistant Headteacher
Neil Philpott, Assistant Headteacher
Paul Rapley, Assistant Headteacher
Marion Brown, School Business Manager

Independent auditors Price Bailey LLP
Chartered Accountants
20 Central Avenue
St Andrews Business Park
Thorpe
Norwich
Norfolk
NR7 0HR

Bankers Lloyds Bank
16 Gentleman's Walk
Norwich
Norfolk
NR2 1LZ

Solicitors Eversheds
85 Queen Victoria Street
London
EC4V 4JL

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

The governors present their annual report together with the financial statements and auditor's reports of the charitable company for the period 6 September 2012 to 31 August 2013.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity set up by a Memorandum of Association on 6 September 2012.

The principal object of the academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors of Taverham High School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Taverham High School.

Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

Academy insurers encompass all relevant insurance including Governor third party indemnity provision.

Principal Activities

- To advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- To provide educational facilities and services to students of all ages and the wider community for the public benefit.

Method of Recruitment and Appointment or Election of Governors

The Academy will be governed by a governing body ("the Governing Body") who are the Directors of the company constituted under the Articles of the Academy Trust.

Members of the Academy Trust are Margaret Garwood, Andre Korolus and Keith Ratcliffe.

Member appointed governors are John Smith and Elizabeth Waller.

The Principal (Headteacher) shall be treated for all purposes as being an ex officio Governor.

Staff Governors may be appointed by Members of the Academy Trust following election via the Academy internal process. These are Ruth Divey, Verity Hanson and Dale Timbers.

Parent Governors are appointed by Governors following election by parents via the Academy internal process. These are Steve Artis, Andrew Drummond, Joanna Ellis, Jonathan Foot and Jeremy Fry.

Co-opted Governors may be appointed by governors who have not themselves been so appointed. These are Tim Aldous, Paul Seabrook and Gavin Struthers.

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GOVERNORS' REPORT (continued)
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

Policies and Procedures Adopted for the Induction and Training of Governors

Induction of Governors is carried out by the Clerk to the Governors as follows:

Induction documentation is posted on the Academy's VLE; a one-to-one link with an experienced governor; provision of a Norfolk Governor's Handbook provided by the Norfolk Governor Services explaining the roles and responsibilities of being a governor and support given by the Chairman on an individual basis. New governors are able to be present, and participate in, the governing body self-evaluation held each year which gives them an insight into the working of the governing body as a whole.

A training and skills audit is carried out for all governors, new and experienced, to identify the breadth of governor skills and to identify any training needs. An analysis of the audit is carried out and governors are given the opportunity to attend appropriate courses held by Norfolk Governor Services. This process also enables existing governors to enhance their skills and keep up-to-date with changing legislation.

Organisational Structure

Members of the Academy Trust are in place to ensure the establishment, maintenance, management and development of a broad and balanced curriculum.

The role of the Headteacher is to manage the school on a day to day basis on behalf of the Governing Body.

The Headteacher is the Academy Accounting Officer.

The Governing Body Committee structure is such that there is sufficient scope for the needs of pupils and staff to be developed, monitored and evaluated to enable the Academy to carry out its function of providing education in the United Kingdom for the public benefit effectively.

These are structured as follows:-

Audit, Finance and Buildings Sub Committee
Curriculum Sub Committee
Pupils, Parents and the Wider Community Sub Committee
Staffing Sub Committee
School Development Planning Committee.

(Committees consists of both governors and members of the leadership team ensuring complete coverage of the Academy's needs and its development and makes its recommendations to the Governing Body as a whole for discussion and approval.)

Risk Management

The major risks to which the academy trust is exposed, as identified by the governors, have been reviewed and the objectives for managing risk across the Academy are:

- To comply with risk management best practice;
- To ensure risks facing the Academy are identified and appropriately documented;
- To provide assurance to the Governing Body that risks are being adequately controlled, or identify areas for improvement;
- To ensure action is taken appropriately in relation to accepting, treating, avoiding and transferring risks.

The Governors are satisfied that systems and procedures are in place to mitigate the academy's exposure to major risks.

Connected Organisations including Related Party Relationships

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures.

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GOVERNORS' REPORT (continued)
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

OBJECTIVES AND ACTIVITIES

Objects and Aims

Our Vision for the school:

To create a learning environment within which every individual can realise their full potential, develop self-respect, respect for others and to prepare themselves for life in a changing world.

The aims of the school

We want to be a school that provides a high quality provision of education for the students, both in and out of the classroom. We want to provide a curriculum that is relevant and motivates the students to want to come to school to achieve their personal best. We want to be a school that is both innovative and forward thinking and it is important to us that we embrace new technologies and support a broad offer of curricular opportunities and experiences to all. We aim to become a school which works in partnership with the parents/ carers and other stakeholders to raise standards and achievements, and to have an ethos where we focus on the raising of those standards and achievements. It is important that we are a school where the strands of the 'Every Child Matters' agenda are integral to the developmental work we carry out and continually self-assess our progress. We want to develop and achieve our goals with a staff where the distinction between 'Leadership and Management' is fully understood and Leadership is seen at many levels of the school, including the students and other stakeholders.

Objectives, Strategies and Activities

The main objectives for the year and the strategies for achieving them are as follows:

Focusing improving Teaching and Learning for 11-18

- Needs of the individual pupil (gifted and talented, lower ability, SEND and named groups)
- Progress (CIAG, independent learning and literacy)
- Assessment (marking and written feedback)

Strategies

- Whole school literacy strategies
- Intervention including 1-1 tuition
- Classroom observation programme
- Curriculum review
- Developing use of data
- Post Ofsted action plan

Public Benefit

The Governors of the Academy Trust confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission (on their website at Charities and Public Benefit) in exercising their powers or duties.

ACHIEVEMENTS AND PERFORMANCE

In November 2012 Ofsted confirmed that THS Examination results continue to be above average and students at THS make good progress. This was supported by another set of fabulous results from Year 11 who left school last summer - 70% of the cohort achieved 5 or more subjects at A*-C grade and 59% of pupils achieved 5 or more GCSEs at A*-C grade including English and Maths.

There were some exceptional performances: 13 students achieved an A or A* in 7 or more of their GCSE subjects and 22% of the cohort achieved 3 or more A/A* grades. Many students undertook BTEC qualifications in Business Studies, Music and/or Hospitality and Catering which earned most of them a double qualification and the results in ICT (OCR Nationals) continue to impress. All students undertake the ECDL course in their 'core' ICT lessons and record numbers achieved this qualification at Level 2.

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What is particularly pleasing at THS is that our students, whatever their ability, continue to meet their targets and be well prepared for the next stage of their education. The 'school participation age' has now increased and the current cohort is required to stay in compulsory education and training up to the age of 17. 66% of the cohort is now studying for A Levels with a record number of students staying on at THS in our new THS Sixth Form. 7% have found places in apprenticeships with only 2 students classed as NEET (probably the lowest in County). Our full Careers Guidance programme and care for each student means that all finish Year 11 with a clear, well-planned path for the next stage in their life.

Key Attainment indicators for THS 2013:

- 59% of Year 11 attained 5+A*-C grades at GCSE including English and Maths (within national expectations)
- Capped Average Point Score of 337.6 (within national expectations)
- 100% of Year 11 attained 5 or more A*-G grades (significantly above national expectations)
- English Average Total Point Score: 40.7 (significantly above national expectations)
- Maths Average Total Point Score: 41.7 (significantly above national expectations)

Going Concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Key Financial Performance Indicators

- Maintaining a 3 year balanced budget- monitored by the Audit, Finance & Buildings Committee
- Maintaining adequate staffing levels to meet requirements of the timetable-monitored by the Assistant Headteacher & Staffing Committee
- Maintaining staffing levels to ensure adequate provision for SEN students-monitored by the SENCO & Staffing Committee
- Continuation of successful initiatives to enable increased student achievement-monitored by the Deputy Headteacher and Curriculum Committee
- Capital investment in developing the infrastructure to provide enhanced curriculum opportunities-monitored by the SBM/ Audit F&B, Curriculum & SDP Committees/SLT
- Increased achievement attributable to maintaining effective student : teacher ratio-monitored by the Staffing Committee, Assistant Headteacher & SLT

FINANCIAL REVIEW

Financial Review

The main source of funding for the academy is the General Annual Grant (GAG) funding that it receives from the EfA. For the period ended 31 August 2013 the academy received £2,272,567 in GAG funding. A high percentage of this funding is spent on wages and salaries and support costs to deliver the academy's primary objective of the provision of education. This income and associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Upon conversion on 1 April 2013 funds totalling £807,580 of the governing body of Taverham High School were transferred to the Academy.

During the period ended 31 August 2013 total expenditure of £2,497,840 was covered by the grant funding together with other incoming resources and cash balances held on transfer to Academy status. The excess of income over expenditure for the period was £873,879.

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GOVERNORS' REPORT (continued)
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

Principal Risks and Uncertainties

A Business Impact Assessment has been undertaken by the Academy Trust to identify critical activities.

These are summarised as:

- An inability to carry out daily and/or critical activities
- Loss of life or serious injury to school staff and students/pupils or members of the public
- Loss of building, or part of building or access to the building
- Adverse publicity and/or reputational impacts
- Loss of ICT
- Loss/shortage of staff
- Loss of critical supplier or partner

The Governing Body has prepared a plan to mitigate the impact of these risks.

Reserves Policy

The Trust's Audit, Finance and Buildings Committee have reviewed the reserve levels of the academy. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The appropriate level of free reserves will be determined by the governors to provide a cushion to deal with unexpected emergencies.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Trust is recognising a significant pension fund deficit of £539,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Parliament has agreed, at the request of the Secretary of State for Education a guarantee, in the event of Academy closure, outstanding local pension scheme liabilities would be met by the Department for Education. The Guarantee came into force on 18 July 2013.

The recognition of this deficit has no direct impact on the free reserves of the Academies Trust.

Investment Policy

The Governing body has powers to deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Object (but to invest only after obtaining such advice from a financial expert as the Governors consider necessary and having regard to the suitability of investments and the need for diversification).

Plans for Future Periods

A three year budget plan linked to the Academy's School Improvement Plan has been approved by the Governing Body which supports the aims and key objectives of the Trust.

Auditor

Insofar as the governors are aware:

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

Approved by order of the board of governors on

and signed on its behalf by:

Margaret Garwood
Chair of Governors

TAVERHAM HIGH SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Taverham High School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement. The board of trustees has formally met 4 times during the 5 months. Attendance during the 5 months at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Andre Korolus	3	4
Ronald Munson	4	4
Margaret Garwood, Chair	4	4
Verity J Hanson	0	3
Andrew Drummond	3	3
Margaret R Divey	3	3
Jeremy A Fry	2	3
Jonathan Foot	3	3
John D Smith	3	3
Timothy W Aldous	2	3
Elizabeth A Waller	3	3
Gavin H Struthers	3	3
Samantha L Floyd	3	3
Paul Seabrook	1	1
Dale Timbers	1	1
Joanna Ellis	1	1
Stephen G Artis	0	1
Peter Whear, Head Teacher	1	1
Keith Ratcliffe	3	3

R Munson, Headteacher and accounting officer resigned 31 August 2013

P Whear, Headteacher and accounting officer appointment as from 1 September 2013

The Audit, Finance and Buildings Committee is a sub-committee of the main board of trustees. Its purpose is to ensure the financial risks of the academy are effectively reviewed and monitored and that the annual financial statements give a true and fair view of the financial activities of the school.

Attendance at meetings in the 5 months was as follows:

Governor	Meetings attended	Out of a possible
Andre Korolus	4	4
Ronald Munson	4	4
Margaret Garwood	4	4
Jonathan Foot	4	4
Timothy W Aldous	2	4
Gavin H Struthers	2	4

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Taverham High School for the 5 months 6 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the 5 months from 6 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed a Responsible Officer from Norfolk County Council Children's Services Finance Section.

The appointee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the appointee reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the 5 months in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on

and signed on their behalf, by:

Margaret Garwood
Chair of Governors

Peter Whear
Accounting Officer

TAVERHAM HIGH SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Taverham High School I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2012).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Peter Whear
Accounting Officer
Date:

TAVERHAM HIGH SCHOOL
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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

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

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

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

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

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

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

Approved by order of the members of the board of trustees on

and signed on its behalf by:

Margaret Garwood
Chair of Governors

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAVERHAM HIGH SCHOOL

We have audited the financial statements of Taverham High School for the 5 months ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the 5 months 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 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' Report for the financial 5 months for which the financial statements are prepared is consistent with the financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAVERHAM HIGH SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Mr Aaron Widdows (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

20 Central Avenue
St Andrews Business Park
Thorpe
Norwich
Norfolk
NR7 0HR
Date:

TAVERHAM HIGH SCHOOL
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO TAVERHAM HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 19 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Taverham High School during the 5 months 6 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF TAVERHAM HIGH SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Taverham High School's funding agreement with the Secretary of State for Education dated 27 March 2013, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the 5 months 6 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other Key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO TAVERHAM
HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 5 months 6 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Price Bailey LLP

Chartered Accountants

20 Central Avenue
St Andrews Business Park
Thorpe
Norwich
Norfolk
NR7 0HR

Date:

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Assets transferred on conversion to academy	2,21	795,248	(494,218)	506,550	807,580
Other voluntary income	2	-	57,038	-	57,038
Activities for generating funds	3	4,386	38,599	-	42,985
Investment income	4	352	-	-	352
Incoming resources from charitable activities	5	-	2,418,822	9,942	2,428,764
TOTAL INCOMING RESOURCES		799,986	2,020,241	516,492	3,336,719
RESOURCES EXPENDED					
Charitable activities	6	82,137	2,340,022	35,685	2,457,844
Governance costs	7	-	39,996	-	39,996
TOTAL RESOURCES EXPENDED	8	82,137	2,380,018	35,685	2,497,840
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		717,849	(359,777)	480,807	838,879
Transfers between funds	16	3,879	(30,520)	26,641	-
NET INCOME FOR THE YEAR		721,728	(390,297)	507,448	838,879
Actuarial gains and losses on defined benefit pension schemes		-	35,000	-	35,000
NET MOVEMENT IN FUNDS FOR THE YEAR		721,728	(355,297)	507,448	873,879
Total funds at 6 September 2012		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		721,728	(355,297)	507,448	873,879

All activities relate to continuing operations for the 5 months.

The Statement of Financial Activities includes all gains and losses recognised in the 5 months.

The notes on pages 18 to 33 form part of these financial statements.

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08204680

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
FIXED ASSETS			
Tangible assets	13		507,448
CURRENT ASSETS			
Debtors	14	335,561	
Cash at bank and in hand		1,226,519	
		1,562,080	
CREDITORS: amounts falling due within one year	15	(656,649)	
		905,431	
NET CURRENT ASSETS			905,431
TOTAL ASSETS LESS CURRENT LIABILITIES			1,412,879
Defined benefit pension scheme liability	22		(539,000)
			873,879
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			873,879
FUNDS OF THE ACADEMY			
Restricted funds :			
Restricted funds	16	183,703	
Restricted fixed asset funds	16	507,448	
		691,151	
Restricted funds excluding pension liability		691,151	
Pension reserve		(539,000)	
		152,151	
Total restricted funds			152,151
Unrestricted funds	16		721,728
			873,879
TOTAL FUNDS			873,879

The financial statements were approved by the Governors, and authorised for issue, on and are signed on their behalf, by:

Margaret Garwood
Chair of Trustees

The notes on pages 18 to 33 form part of these financial statements.

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

	Note	2013 £
Net cash flow from operating activities	18	1,262,750
Returns on investments and servicing of finance	19	352
Capital expenditure and financial investment	19	(36,583)
INCREASE IN CASH IN THE PERIOD		<u>1,226,519</u>

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

	2013 £
Increase in cash in the period	<u>1,226,519</u>
MOVEMENT IN NET FUNDS IN THE PERIOD	<u>1,226,519</u>
NET FUNDS AT 31 AUGUST 2013	<u>1,226,519</u>

The notes on pages 18 to 33 form part of these financial statements.

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £1 per member of the academy.

1.3 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

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

Charitable activities are costs incurred in the academy's educational operations.

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

Resources expended are inclusive of any irrecoverable VAT.

1.6 Going concern

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

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment	-	10% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	33.33% straight line

1.8 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Taxation

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

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.11 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Taverham High School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Taverham High School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds and restricted fixed asset funds.

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Assets transferred on conversion to academy	795,248	12,332	807,580
Donations	-	57,038	57,038
Voluntary income	795,248	69,370	864,618

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Rental Income	260	-	260
Other Income	4,126	34,018	38,144
Music lessons	-	4,581	4,581
	<u>4,386</u>	<u>38,599</u>	<u>42,985</u>

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank Interest	352	-	352
	<u>352</u>	<u>-</u>	<u>352</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA grants			
General Annual Grant (GAG)	-	2,272,567	2,272,567
Other DfE / EFA grants	-	70,515	70,515
Start up grant	-	37,000	37,000
	<u>-</u>	<u>2,380,082</u>	<u>2,380,082</u>
Other government grants			
Local authority grants	-	48,682	48,682
	<u>-</u>	<u>48,682</u>	<u>48,682</u>
Total	<u>-</u>	<u>2,428,764</u>	<u>2,428,764</u>

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DIRECT COSTS			
Wages and salaries	-	1,297,494	1,297,494
National insurance	-	95,779	95,779
Pension cost	-	171,590	171,590
Educational supplies	7,137	243,319	250,456
Examination fees	-	1,642	1,642
Staff development	-	10,807	10,807
Educational consultancy	-	11,900	11,900
Other costs	-	5,231	5,231
Supply teaching	-	20,915	20,915
	<u>7,137</u>	<u>1,858,677</u>	<u>1,865,814</u>
SUPPORT COSTS			
Wages and salaries	-	97,231	97,231
National insurance	-	5,717	5,717
Pension cost	-	30,469	30,469
Depreciation	-	35,685	35,685
LGPS FRS17 adjustment	-	8,000	8,000
Technology costs	-	3,549	3,549
Travel & subsistence	-	3,446	3,446
Other costs	-	14,371	14,371
Recruitment & support	-	185	185
Maintenance of premises & machinery	75,000	77,445	152,445
Cleaning	-	78,758	78,758
Rates	-	14,129	14,129
Energy	-	52,965	52,965
Insurance	-	32,923	32,923
Catering	-	16,966	16,966
Occupancy costs	-	459	459
Printing, postage and stationery	-	16,104	16,104
Professional fees	-	28,628	28,628
	<u>75,000</u>	<u>517,030</u>	<u>592,030</u>
	<u>82,137</u>	<u>2,375,707</u>	<u>2,457,844</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Governance Internal audit costs	-	375	375
Governance Auditors' remuneration	-	5,500	5,500
Governance Auditors' non audit costs	-	1,000	1,000
Legal and professional	-	33,121	33,121
	<u>-</u>	<u>39,996</u>	<u>39,996</u>

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Premises 2013 £	Other costs 2013 £	Total 2013 £
Academy's educational operations				
-Direct costs	1,564,863	-	300,951	1,865,814
-Allocated support costs	133,417	318,431	140,182	592,030
Charitable activities	<u>1,698,280</u>	<u>318,431</u>	<u>441,133</u>	<u>2,457,844</u>
Governance	-	-	39,996	39,996
	<u>1,698,280</u>	<u>318,431</u>	<u>481,129</u>	<u>2,497,840</u>

9. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2013 £
Depreciation of tangible fixed assets:	
- owned by the charity	35,685
Auditors' remuneration	5,500
Governance Internal audit costs	375
	<u>41,560</u>

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

10. STAFF COSTS

Staff costs were as follows:

	2013 £
Wages and salaries	1,394,725
Social security costs	101,496
Other pension costs (Note 22)	202,059
	1,698,280
Supply teacher costs	20,915
	1,719,195

The average number of persons (including the senior management team) employed by the academy during the 5 months expressed as full time equivalents was as follows:

	2013 No.
Teachers	58
Administration and support	39
Management	7
	104

The number of employees whose annualised emoluments fell within the following bands was:

	2013 No.
In the band £ 60,001 - £ 70,000	1
In the band £ 80,001 - £ 90,000	1
	2

The above employees both participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £8,805.

11. GOVERNORS' REMUNERATION AND EXPENSES

During the 5 months retirement benefits were accruing to 4 Governors in respect of defined benefit pension schemes.

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of Governors' remuneration for the 5 months ended fell within the following bands:

	2013 £
Ronald Munson	35,000-40,000
Verity Hanson	0-5,000
Margaret Ruth Divey	0-5,000
Dale Timbers	0-5,000

During the 5 months, no Governors received any reimbursement of expenses.

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS ENDED 31 AUGUST 2013

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the 5 months ended 31 August 2013 was £799.

The cost of this insurance is included in the total insurance cost.

13. TANGIBLE FIXED ASSETS

	Equipment £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
Additions	17,237	-	6,352	12,994	36,583
Transfers on conversion	181,615	13,200	176,008	135,727	506,550
At 31 August 2013	<u>198,852</u>	<u>13,200</u>	<u>182,360</u>	<u>148,721</u>	<u>543,133</u>
Depreciation					
Charge for the 5 months	7,741	1,100	7,382	19,462	35,685
At 31 August 2013	<u>7,741</u>	<u>1,100</u>	<u>7,382</u>	<u>19,462</u>	<u>35,685</u>
Net book value					
At 31 August 2013	<u><u>191,111</u></u>	<u><u>12,100</u></u>	<u><u>174,978</u></u>	<u><u>129,259</u></u>	<u><u>507,448</u></u>

14. DEBTORS

	2013 £
Trade debtors	216,285
Other debtors	21,959
Prepayments and accrued income	97,317
	<u>335,561</u>

15. CREDITORS:
Amounts falling due within one year

	2013 £
Accruals and deferred income	656,649
	<u>£</u>
Deferred income	
Resources deferred during the year	<u>23,195</u>

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS ENDED 31 AUGUST 2013**

16. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	-	799,986	(82,137)	3,879	-	721,728
Restricted funds						
General Annual Grant (GAG)	-	2,230,901	(2,079,007)	(26,641)	-	125,253
Special Educational Needs (SEN)	-	75,484	(75,484)	-	-	-
Pupil Premium	-	52,175	(47,752)	-	-	4,423
Educational Visits	-	93,700	(62,258)	-	-	31,442
School Games Organiser	-	39,277	(16,692)	-	-	22,585
Music Lessons	-	4,581	(4,581)	-	-	-
16 - 19 Bursary	-	5,231	(5,231)	-	-	-
Other Restricted	-	29,892	(29,892)	-	-	-
Start up grant	-	37,000	(33,121)	(3,879)	-	-
Pension reserve	-	(548,000)	(26,000)	-	35,000	(539,000)
	-	2,020,241	(2,380,018)	(30,520)	35,000	(355,297)
Restricted fixed asset funds						
Restricted Fixed Asset Fund	-	506,550	(35,685)	36,583	-	507,448
Devolved Formula Capital	-	9,942	-	(9,942)	-	-
	-	516,492	(35,685)	26,641	-	507,448
Total restricted funds	-	2,536,733	(2,415,703)	(3,879)	35,000	152,151
Total of funds	-	3,336,719	(2,497,840)	-	35,000	873,879

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

General Annual Grant (GAG)

This represents funding from the EFA to cover the costs of recurrent expenditure.

The transfer from GAG relates to the contribution from GAG funding towards the maintenance of capital assets during the year.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

Special Educational Needs (SEN)

This represents allocated funding for special educational needs pupils.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals, looked after children and those from families with parents in the Armed Forces.

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS ENDED 31 AUGUST 2013**

16. STATEMENT OF FUNDS (continued)

Educational Visits

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

School Games Organiser

This represents funding and contributions from other schools for the School Games Organiser.

Music Lessons

This is for the provision of music lessons.

16-19 Bursary

This represents allocated funding for the 16-19 Bursary.

Start up grant

This represents a grant to aid with start up costs for the academy on conversion. All costs have now been incurred and the balance has been transferred to unrestricted reserves as the restriction no longer exists.

Other Restricted

This represents funding received from other bodies towards a specific purpose.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the academy on conversion from a state controlled school.

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 22 based on the period end valuation.

Restricted fixed asset fund

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

Devolved Formula Capital (DFC) fund

The Academy is to use the DFC allocation to maintain and improve its buildings and facilities.

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
General funds	-	799,986	(82,137)	3,879	-	721,728
Restricted funds	-	2,020,241	(2,380,018)	(30,520)	35,000	(355,297)
Restricted fixed asset funds	-	516,492	(35,685)	26,641	-	507,448
	-	3,336,719	(2,497,840)	-	35,000	873,879

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS ENDED 31 AUGUST 2013**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	507,448	507,448
Current assets	796,728	765,352	-	1,562,080
Creditors due within one year	(75,000)	(581,649)	-	(656,649)
Provisions for liabilities and charges	-	(539,000)	-	(539,000)
	<u>721,728</u>	<u>(355,297)</u>	<u>507,448</u>	<u>873,879</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £
Net incoming resources before revaluations	838,879
Returns on investments and servicing of finance	(352)
Assets transferred on conversion	(506,550)
Depreciation of tangible fixed assets	35,685
Increase in debtors	(335,561)
Increase in creditors	656,649
FRS 17 adjustments	574,000
Net cash inflow from operations	<u>1,262,750</u>

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £
Returns on investments and servicing of finance	
Interest received	352
	<u>352</u>
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(36,583)
	<u>(36,583)</u>

20. ANALYSIS OF CHANGES IN NET FUNDS

	6 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand:	-	1,226,519	-	1,226,519
Net funds	<u>-</u>	<u>1,226,519</u>	<u>-</u>	<u>1,226,519</u>

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21. CONVERSION TO AN ACADEMY TRUST

On 1 April 2013 Taverham High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Taverham High School from Norfolk County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	506,550	506,550
Budget surplus/(deficit) on LA funds	795,248	-	-	795,248
Budget surplus/(deficit) on other school funds	-	53,782	-	53,782
LGPS pension surplus/(deficit)	-	(548,000)	-	(548,000)
Net assets/(liabilities)	<u>795,248</u>	<u>(494,218)</u>	<u>506,550</u>	<u>807,580</u>

The above net assets include £849,030 that were transferred as cash.

22. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial 5 months.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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22. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

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22. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the 5 months ended 31 August 2013 was £53,000, of which employer's contributions totalled £39,000 and employees' contributions totalled £14,000. The agreed contribution rates for future years are 23.3% for employers and 5.5%-7.5% for employees.

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

As described in note 21 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the 5 months. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance Sheet are as follows:

	2013 £
Present value of funded obligations	(1,486,000)
Fair value of scheme assets	947,000
	(539,000)
Net liability	(539,000)

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

	2013 £
Current service cost	(57,000)
Interest on obligation	(27,000)
Expected return on scheme assets	19,000
	(65,000)
Total	(65,000)
Actual return on scheme assets	19,000
	19,000

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

	2013 £
Current service cost	57,000
Interest cost	27,000
Contributions by scheme participants	14,000
Actuarial Gains	(34,000)
Present value of defined benefit obligation on conversion	1,422,000
	1,486,000
Closing defined benefit obligation	1,486,000

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22. PENSION COMMITMENTS (continued)

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

	2013
	£
Expected return on assets	19,000
Actuarial gains and (losses)	1,000
Contributions by employer	39,000
Contributions by employees	14,000
Fair value of scheme assets on conversion	874,000
	947,000
	947,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial activities was £35,000 gain.

The academy expects to contribute £94,000 to the Local Government Pension Scheme in 2014.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2013
Equities	67.00 %
Bonds	20.00 %
Property	11.00 %
Cash	2.00 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.80 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %

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

	2013
Retiring today	
Males	21.2
Females	23.4
Retiring in 20 years	
Males	23.6
Females	25.8

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22. PENSION COMMITMENTS (continued)

Amounts for the current period are as follows:

Defined benefit pension schemes

	2013 £
Defined benefit obligation	(1,486,000)
Scheme assets	947,000
	(539,000)
Deficit	(539,000)
Experience adjustments on scheme assets	1,000

23. OPERATING LEASE COMMITMENTS

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2013 £	Other 2013 £
Expiry date:		
Between 2 and 5 years	-	3,609

24. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place during the period:

Included in accruals is an amount owed to Taverham Recreational Facilities Limited, a company of which Timothy W Aldous is a director. Taverham Recreational Facilities Limited owns the all weather hockey pitches and facilities adjoining the school premises, which the school uses. The pitches were resurfaced during the year and £75,000 represents the schools contribution in lieu of past services.

Income was received during the period from Taverham Recreational Facilities Limited of £275, included in trade debtors is an amount owed of £98.

Income was received during the period of £950 from Mr R Munson.