

Registered number: 08204680

**TAVERHAM HIGH SCHOOL**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**TAVERHAM HIGH SCHOOL**  
**(A Company Limited by Guarantee)**

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

<b>Members</b>	Andre Korolus Margaret Garwood Keith G M Ratcliffe (resigned 27 January 2016) John Smith (appointed 27 January 2016)
<b>Trustees</b>	Andre Korolus Verity J Hanson Andrew Drummond Jeremy A Fry (resigned 8 September 2015) Jonathan P Foot (resigned 11 December 2015) John D Smith Elizabeth A Waller Paul Seabrook (resigned 29 January 2016) Dale Timbers Joanna Ellis Stephen G Artis (resigned 14 July 2016) Sally K Philpot Elizabeth Plater (resigned 31 December 2015) Margaret Garwood, Chair Keith G M Ratcliffe (resigned 27 January 2016) Timothy M Horrobin (appointed 15 October 2015, resigned 23 February 2016) Nicola C Samuels (appointed 10 December 2015) Carol Y Dallas, Headteacher (appointed 1 January 2016) Kerry-Ann Ellis (appointed 14 July 2016) Daniel Taylor (appointed 14 July 2016)
<b>Company registered number</b>	08204680
<b>Company name</b>	Taverham High School
<b>Principal and registered office</b>	Beech Avenue Norwich Norfolk NR8 6HP
<b>Company secretary</b>	Melanie Egleton (appointed 14 July 2016)
<b>Senior management team</b>	Carol Dallas, Headteacher from 1 January 2016 Elizabeth Plater, Acting Headteacher to 31 December 2015, Deputy Head thereafter Shirley Naisby, Assistant Headteacher to 31 August 2016 Neil Philpott, Assistant Headteacher Paul Rapley, Assistant Headteacher David Hyett, Assistant Headteacher Alison Turner, School Business Manager to 31 May 2016 Melanie Egleton, School Business Manager from 1 February 2016
<b>Independent auditors</b>	Price Bailey LLP Chartered Accountants 20 Central Avenue St Andrews Business Park Thorpe Norwich Norfolk NR7 0HR

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS**  
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**Advisers (continued)**

<b>Bankers</b>	Lloyds Bank 16 Gentleman's Walk Norwich Norfolk NR2 1LZ
<b>Solicitors</b>	Eversheds 85 Queen Victoria Street London EC4V 4JL

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

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Taverham High School Academy Trust (the Academy, The Trust or the Charitable Company) for the year ended 31 August 2016. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 11 to 18 serving a catchment area in Taverham. It has a pupil capacity of 1100 in the main school with a roll of 987 plus 155 sixth form students in the 2016 school census.

**Structure, Governance and Management**

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as Taverham High School (the School).

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

**Members' Liability**

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

**Trustees and Officers' Indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 and details are disclosed in Note 11 to the accounts.

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

The arrangements are as set out in the Articles and Funding Agreement. Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Governing Body. Parent Trustees and the staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 17 Trustees (5 Parents, 2 Staff Teaching, 1 Staff non-teaching, 8 others plus the Headteacher).

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

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. All Trustees have access to free Governance and Leadership training provided by Norfolk Governor Services. Trustees can also attend regular continued professional development led by school staff.

All new Trustees are entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chairman of Trustees and Headteacher or Deputy Headteacher. All Trustees are provided with an induction pack which includes an electronic copy of the DfE governors' handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake. Trustees can also access relevant documentation on the school website, governorhub and are encouraged to keep up-to-date with developments and discussions in education, particularly in relation to any changes in law.

**Organisational Structure**

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees, which meets on at least 4 occasions per year and each individual committee at least 3 times per year, is responsible for the strategic direction of the Academy. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

The Headteacher is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

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

The Headteacher manages the Academy on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets at least twice weekly to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

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

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration are reviewed by the Pay Committee who make recommendations to the Audit, Finance and Buildings committed for approval, this is then ratified by the Board of Trustees.

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

Owing to the nature of the Trust's operations and the composition of the Board of Trustees 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 members of the Board 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. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Lloyds Bank
- Hellesdon High School

The Trust does not have a formal sponsor.

**Objectives and Activities**

**Objects and Aims**

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 to 18.

**School Priorities 2015-16**

1. Embedding the year 7 – 13 journey in terms of aspiration, attainment and guidance
2. To develop outstanding T&L underpinned by effective CPD with a focus on:
  - Resilience
  - Questioning
  - Differentiation
  - Marking and Feedback
  - Literacy
3. To develop the THS Community – students, families and the wider community
4. Mobilising leadership throughout the school community

This will be achieved with due reference to strategic curriculum and inspection changes and within the context of a declining budget.

During the year the School has worked towards these aims by:

1. Reducing in school variation in progress across core subjects, improving the performance of SEND and other disadvantaged children.
2. Implementing a Teaching and Learning evaluation schedule evaluating the key priorities and developing a CPD programme to further implement these priorities
3. Improve attendance and engagement with parents through meetings news letters and website.
4. Review and restructure of leadership team and TLR structure.

Our success in fulfilling our aims can be measured by:

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

1. Attainment has demonstrated that the school is narrowing the gaps for SEN & PPG students Good Ofsted Report
2. Lesson observations demonstrate improvement in teaching and learning supported by evidence during learning walks and book reviews. This has been backed up by an independent review of Teaching and Learning together with positive teaching observed during the Ofsted inspection.
3. The increased sense of community within the academy was clearly demonstrated during RAG week where a programme of activities, involving staff, students and the local community raised over £10,000 in just one week in support of the Teenage Cancer Trust.
4. Leadership – sharpening of priorities and performance management demonstrated by successful reviews

#### **Public Benefit**

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

#### **Strategic Report**

##### **Achievements and Performance**

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the school.

In March 2016 Ofsted confirmed that Taverham High School (THS) examination results (2015) remain above average and students at THS make good progress. The GCSE results in 2016 continue to be very encouraging with 69% of all students achieving 5A\*-C including English and Maths. 22% of GCSE results were at A\* or A grades. Progress in Maths continues to far exceed National expectations, English language results are below National expectations however Literature, (which counts as a measure as of September 2016,) indicates progress made significantly exceeds National expectations. There were outstanding performances in French, GCSE PE, RE and History.

A2 results have also indicated improvement at THS with 20% of the cohort achieving A\*-A an improvement of 9% from 2015 results. 46% achieved A\*-B an improvement of 13% from 2015 results and 71% achieved A\*-C also leading to an improvement in results by 3%. A\*-E was slightly down from 100% to 98% (2016). Media Studies, Health and Social Care, PE and Geography had outstanding performances; ALP scores indicated that all of these subjects' results were in at least the top 25% of the country. Media's results were particularly impressive indicating that they were in the top 3% of the country.

76% of the 2016 cohort applied to University, (up 7% from 2015) and 82% of this cohort secured a place at one of their chosen universities. Russell group places have increased significantly over the last year increasing by 11% to 14% of the cohort, (2015 - 3%). A number of students also secured apprenticeships at the end of their A level studies.

##### **Key Attainment Indicators for THS 2016**

- 69% of Year 11 attained 5 A\*-C grades at GCSE including English and Maths, (in line with National Expectations).
- Capped Average Point Score of 322.81.
- 13% of the cohort achieved 6 A\*-A grades.
- 83% of year 11 achieved A\*-C in Maths and 68% achieved A\*-C in English Language and 83% achieved A\*-C in English Literature.

##### **Key Performance Indicators**

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2016 were 1142 against a forecast of 1153.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2015/16 this was 74.7% for the year for recurring income and costs. The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures all approved by the Board.

The Audit, Finance and Buildings Committee also monitor premises costs to General Annual Grant (GAG) income (although these costs are bound by the PFI agreement), capitation spend for curriculum departments to GAG income and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board.

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

**Going Concern**

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

**Financial Review**

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education Funding agency (EFA). For the year ended 31 August 2016 the Trust received £5,791,954 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £6,289,395 on expenditure. The Academy brought forward from 2014/15, £124,095 restricted funds, excluding the pension reserve and £601,384 unrestricted funding. The carry forward for 2015/16 is £149,034 restricted funding, excluding the pension reserve and £608,040 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £1,398,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

The trust shows a negative position on its balance sheet as at the reporting date which is solely down to the inclusion of the Local Government Pension Scheme (LGPS) liability actuarial valuation. As note 20 to the accounts clearly states, this is a liability which is not immediately payable and is guaranteed by Parliament that it will be covered by the Department for Education in the event of academy closure. Whilst most academy trusts we expect will show similar large pension deficits this year in respect of their own share of the LGPS, many will have land and buildings assets on their balance sheets at valuation which may prevent their balance sheets from disclosing net liabilities. As Taverham High School is a PFI school and does not own the land and buildings from which it operates, it does not show these as assets on its balance sheet and so the inclusion of the LGPS pension liability has the effect of increasing total liabilities above total assets. This trustees have considered this and do not believe that this means that the trust is insolvent as according to its budgets and forecasts it is still able to pay the amounts that are due in respect of the LGPS as and when they fall due.

**Reserves Policy**

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £608,040. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Trustees are holding these unrestricted funds to cover future increases in costs and expenditure that may arise from uninsurable losses.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2016 was £757,074.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £1,300,490. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee Business Manager reports.

**Investment Policy**

An Investment Policy was approved by the Board of Trustees on 8 May 2014.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested to maximise the Academy's income but with minimal risk. Funds are principally invested in interest bearing accounts held by the Academy bank account holder. In all cases, only banks / institutions with the highest risk ratings are used for investments. The Academy does not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.



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

**Principal Risks and Uncertainties**

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Audit, Finance and Buildings Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

1. the Academy has considerable reliance on continued Government funding through the EFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
2. failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
3. reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
4. safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
5. staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
6. fraud and mismanagement of funds - The Academy has appointed Norfolk County Council to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
7. financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
8. defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

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**TRUSTEES' REPORT (continued)**  
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**Plans for Future Periods**

Past experience has taught the trustees that reduced funding has required them to restructure staffing this current academic year and will impact on future staffing needs. Curriculum needs may be affected because of reduced staffing as well as the needs of SEND children.

**Key Priority- Outcomes**

1. Improve the progress made by students at KS4
  - a) Improve standards at KS4 by raising aspirations
  - b) Improving standards achieved by key subjects
  - c) Improving standards achieved by disadvantaged students including PP and SEND support.
  - d) Use a coordinated programme of enrichment activities to enhance learning and raise aspirations.

**Key Priority- Leadership and Management**

2. Improve leadership throughout the school
  - a) Develop outstanding leadership through the Head of Faculty structure.
  - b) Develop Governance procedures and practice
  - c) Improve literacy across the curriculum
  - d) Improve financial sustainability across the school
  - e) Improve engagement with parents

**Key Priority- Personal Development Behaviour and Welfare**

1. To improve attendance particularly of vulnerable groups
2. Improve mental health and well-being across the school

**Key Priority- Teaching, Learning and Assessment**

1. Establish accurate and regular assessments leading to effective interventions.
2. Consistency of marking and feedback in terms of impact on learners' progress
3. Improve resilience.
4. Improve communication and sharing good practice across the school
5. Develop questioning to deepen learning and understanding, improve differentiation and resilience and promote active response by students to learning.
6. To use homework to support progress.

**Key Priority- 16-19 provision**

1. Improve the progress made by students at KS5
2. Develop improved IAG for all pathways
3. Improve the sustainability of the sixth form through improved recruitment and retention

**Funds Held as Custodian Trustee on Behalf of Others**

Funds for the following organisations are held by the Academy

- School Games Organiser
- Dyslexic Outreach Service

Separate accounts are kept for both of these organisations which clearly allows identification and segregation of all assets.

The objectives of the two organisations are as follows

School Games organisers focus on the following five core tasks:

- Participation
- Competition for All
- Clubs: Increase regular participation in club sport
- Workforce: Broaden participation opportunities through volunteering and workforce roles
- Performance: Establish key performance indicators, target delivery and review progress on a termly basis

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**TRUSTEES' REPORT (continued)**  
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The Dyslexia Outreach Service is part of the Cognition and Learning specialism of Norfolk Specialist Resource Bases (SRBs) and works wholly on an outreach and capacity building basis. Working in all keystages, from age 5-18 and e funded by Norfolk County to provide a free core service to all schools, including academies and free schools (apart from a small contribution of £50 per project undertaken, as set by Norfolk County Council).

**Aims**

- To offer relevant and practical support
- To empower all stakeholders to meet needs in their setting
- To develop sustainable and effective practice

The aims of both of these organisations fits into the school aim of enabling every individual to realise their full potential, develop self-respect, respect for others and to prepare themselves for life in a changing world.

**Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 15/12/16 and signed on the Board's behalf by:

*M. Garwood*

**Margaret Garwood**  
**Chair of Trustees**

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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As trustees, 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Andre Korolus	3	4
Verity J Hanson	1	4
Andrew Drummond	2	4
Jeremy A Fry	0	0
Jonathan P Foot	2	2
John D Smith	3	4
Elizabeth A Waller	4	4
Paul Seabrook	1	2
Dale Timbers	2	4
Joanna Ellis	4	4
Stephen G Artis	3	3
Sally K Philpot	2	4
Elizabeth Plater	2	2
Margaret Garwood, Chair	4	4
Keith G M Ratcliffe	2	2
Timothy M Horrobin	1	1
Nicola C Samuels	2	2
Carol Y Dallas, Headteacher	2	2
Kerry-Ann Ellis	0	0
Daniel Taylor	0	0

The previous Accounting Officer, Elizabeth Plater who was Acting Headteacher left office during the year. Carol Dallas was appointed in January 2016 as Headteacher and was also appointed as a trustee during the year.

As noted on page 1 on 27 January 2016, Keith G M Ratcliffe resigned as a member and was replaced by John Smith.

The Trustees have been challenged during the year due to the long term absence of the business manager, however a newly appointed business manager started during the year.

The Trustees' concerns regarding a budget deficit were addressed on appointment of the new Headteacher. 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 year was as follows:

Trustee	Meetings attended	Out of a possible
Andre Korolus	7	7
Margaret Garwood	7	7
Jonathan Foot	3	3
Stephen G Artis	6	7
Elizabeth Plater	3	3
Elizabeth A Waller	7	7
Carol Y Dallas	3	4

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**GOVERNANCE STATEMENT (continued)**

The Trustees carried out their self-evaluation for the year to 31 August 2016 following the year end. As a result of this process Trustees are restructuring governance; terms of reference and link trustees for which an action plan has been drawn up. The chair of Trustees and Headteacher have had meetings to progress with the new structures and will continually monitor and follow these up during the forthcoming year.

**REVIEW OF VALUE FOR MONEY**

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

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

In order to ensure the effectiveness of leadership and management across the school and to ensure value for money a Teaching and Learning Responsibilities (TLR) review was carried out. Consideration was given to the level of TLRs in different school settings and bench marking data was reviewed. A consultation process occurred leading to a TLR restructure which has resulted in a yearly salary reduction (after a protection period) of approximately £30,000. This restructure will give the school tighter accountability for school improvement, a sharp focus on pupil progress and with the reduction in the size of the leadership team will provide a more manageable line management structure.

A review was undertaken of the services provided and charges made to the School Games Organiser and Dyslexia Outreach Service. Although these services are supposed to be financially independent Taverham High School staff were providing services to these organisations without remuneration. Following the review charges were adjusted to accurately reflect the accommodation and financial support provided. This has led to an increase of income to cover staffing costs and ensures good value for money by linking with these vital services.

A review of the school broadband was undertaken to provide staff and students with a learning environment that supports, develops and adapts readily to their requirements. The previous service provided a bandwidth which was no longer adequate for the school. A formal tendering process took place in line with the Academy Procurement Policy, to ensure that the new service was fit for purpose and provided best value. The new contract was awarded to the cheapest tender after ensuring that the contract provides the school with all the services required and the capacity to develop teaching and learning management information, administration and financial systems.

**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 year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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**GOVERNANCE STATEMENT (continued)**

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the 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 trustees have purchased Financial Management Assurance from Norfolk County Council. The role of the Financial Management Assurance Checklist and Statement is to provide an independent oversight of the academy trust's financial affairs. The main duties of the Assessment Officer are to provide the governing body with on-going independent assurance that:

- the financial responsibilities of the governing body are being properly discharged
- resources are being managed in an efficient, economical and effective manner
- sound systems of internal financial control are being maintained
- financial considerations are fully taken into account in reaching decisions

The appointee's role includes giving advice on financial matters and performing a range of checks, on the academy's financial systems, which include:

- payroll including changes to contracts and review of expense claims
- review of expenditure, checking invoices payments to ensure they adhere to finance policy/approval limits/contracts
- review of income, verify DfE receipts to payment schedule/primary records/agree to monies banked/review outstanding debtors/VAT claims
- review of assets
- review of management reports
- review of credit cards and payments
- anti-fraud - segregation of duties

On a semi-annual 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 year 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 15/12/16 and signed on their behalf, by:

*M. Garwood*

**Margaret Garwood**  
**Chair of Trustees**

*Carol Dallas*

**Carol Dallas**  
**Accounting Officer**

**TAVERHAM HIGH SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Taverham High School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



**Carol Dallas**  
**Accounting Officer**

15 DEC 2016

**TAVERHAM HIGH SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees (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 Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on **15 DEC 2016** and signed on its behalf by:

*M. Garwood*

**Margaret Garwood**  
**Chair of Trustees**



**TAVERHAM HIGH SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
TAVERHAM HIGH SCHOOL**

We have audited the financial statements of Taverham High School for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the 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 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

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

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

**TAVERHAM HIGH SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



John Warren BSc FCA (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: 19 December 2016

**TAVERHAM HIGH SCHOOL**  
**(A Company Limited by Guarantee)**

**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 23 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Taverham High School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by 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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Price Bailey LLP*

Price Bailey LLP

Chartered Accountants

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

Date: *19 December 2016*

**TAVERHAM HIGH SCHOOL**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	175,233	38,463	213,696	174,425
Charitable activities	5	-	5,791,954	-	5,791,954	5,608,175
Other trading activities	3	3,733	157,177	-	160,910	165,900
Investments	4	2,923	-	-	2,923	2,614
<b>TOTAL INCOME</b>		<u>6,656</u>	<u>6,124,364</u>	<u>38,463</u>	<u>6,169,483</u>	<u>5,951,114</u>
<b>EXPENDITURE ON:</b>						
Charitable activities	7	-	6,181,425	107,970	6,289,395	6,302,600
<b>TOTAL EXPENDITURE</b>	6	<u>-</u>	<u>6,181,425</u>	<u>107,970</u>	<u>6,289,395</u>	<u>6,302,600</u>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		6,656	(57,061)	(69,507)	(119,912)	(351,486)
Actuarial losses on defined benefit pension schemes	20	-	(617,000)	-	(617,000)	(15,000)
<b>NET MOVEMENT IN FUNDS</b>		<u>6,656</u>	<u>(674,061)</u>	<u>(69,507)</u>	<u>(736,912)</u>	<u>(366,486)</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		601,384	(574,905)	480,078	506,557	873,043
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>608,040</u></u>	<u><u>(1,248,966)</u></u>	<u><u>410,571</u></u>	<u><u>(230,355)</u></u>	<u><u>506,557</u></u>

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	12		391,719		461,240
<b>CURRENT ASSETS</b>					
Debtors	13	91,796		219,684	
Cash at bank and in hand		1,300,490		1,139,920	
		1,392,286		1,359,604	
<b>CREDITORS:</b> amounts falling due within one year	14	(616,360)		(615,287)	
<b>NET CURRENT ASSETS</b>			775,926		744,317
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,167,645		1,205,557
Defined benefit pension scheme liability	20		(1,398,000)		(699,000)
<b>NET (LIABILITIES)/ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			(230,355)		506,557
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	149,034		124,095	
Restricted fixed asset funds	16	410,571		480,078	
		559,605		604,173	
Restricted income funds excluding pension liability		559,605		604,173	
Pension reserve		(1,398,000)		(699,000)	
		(838,395)		(94,827)	
Total restricted income funds			(838,395)		(94,827)
Unrestricted income funds	16		608,040		601,384
<b>TOTAL (DEFICIT)/FUNDS</b>			(230,355)		506,557

The financial statements were approved by the Trustees, and authorised for issue, on **15 DEC 2016** and are signed on their behalf, by:

*M. Garwood*

**Margaret Garwood**  
**Chair of Trustees**

The notes on pages 22 to 39 form part of these financial statements.

**TAVERHAM HIGH SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	As restated 2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	157,633	(9,975)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		2,923	2,614
Purchase of tangible fixed assets		(38,449)	(53,660)
Capital grants from DfE/EFA		38,463	23,748
<b>Net cash provided by/(used in) investing activities</b>		<u>2,937</u>	<u>(27,298)</u>
<b>Change in cash and cash equivalents in the year</b>		160,570	(37,273)
Cash and cash equivalents brought forward		1,139,920	1,177,193
<b>Cash and cash equivalents carried forward</b>		<u><u>1,300,490</u></u>	<u><u>1,139,920</u></u>

**TAVERHAM HIGH SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Taverham High School constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Taverham High School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Taverham High School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

**1.2 Fund accounting**

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

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

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



**TAVERHAM HIGH SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

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

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

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

**1.4 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. In making this assessment the trustees have noted that the academy trust has net liabilities of £230,355 at the balance sheet date. However, this is due to a defined benefit pension scheme liability in respect of the Local Government Pension Scheme of £1,398,000 which is due over a long period. The trustees have considered the rates of contributions agreed with the pension schemes and have concluded that adequate resources will be available to meet these. They have therefore concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

**TAVERHAM HIGH SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.6 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

**1.7 Operating leases**

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

**1.8 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

**1.9 Taxation**

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

**1.10 Debtors**

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

**1.11 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.12 Liabilities and provisions**

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

**TAVERHAM HIGH SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.13 Financial instruments**

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**1.14 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.15 Agency arrangements**

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

**TAVERHAM HIGH SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.16 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	175,233	-	175,233	150,677
Capital Grants	-	-	38,463	38,463	23,748
	<u>-</u>	<u>175,233</u>	<u>38,463</u>	<u>213,696</u>	<u>174,425</u>
Total donations and capital grants	<u>-</u>	<u>175,233</u>	<u>38,463</u>	<u>213,696</u>	<u>174,425</u>

In 2015, of the total income from donations and capital grants, £NIL was to unrestricted funds and £174,425 was to restricted funds.

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Rental Income	3,030	-	3,030	-
Other Income	703	143,024	143,727	153,772
Music lessons	-	14,153	14,153	12,128
	<u>3,733</u>	<u>157,177</u>	<u>160,910</u>	<u>165,900</u>
Total other trading activities	<u>3,733</u>	<u>157,177</u>	<u>160,910</u>	<u>165,900</u>

In 2015, of the total income from other trading activities, £NIL was to unrestricted funds and £165,900 was to restricted funds.

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**4. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank Interest	2,923	-	2,923	2,614

In 2015, of the total investment income, £2,614 was to unrestricted funds and £NIL was to restricted funds.

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	5,334,944	5,334,944	5,104,947
Other DfE / EFA grants	-	136,563	136,563	173,035
	-	5,471,507	5,471,507	5,277,982
<b>Other government grants</b>				
Local authority grants	-	262,799	262,799	308,113
Other government grants	-	57,648	57,648	22,080
	-	320,447	320,447	330,193
	-	5,791,954	5,791,954	5,608,175

In 2015, of the total income from charitable activities, £NIL was to unrestricted funds and £5,608,175 was to restricted funds.

**6. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	As restated Total 2015 £
Provision of Education:					
Direct costs	4,159,313	-	694,614	4,853,927	4,931,644
Support costs	470,409	582,945	382,114	1,435,468	1,370,956
	4,629,722	582,945	1,076,728	6,289,395	6,302,600

In 2016, of the total expenditure, £NIL was to unrestricted funds (2015 - £114,092), £6,181,425 restricted funds (2015 - £6,188,508) and £107,970 restricted fixed assets funds (2015 - £NIL).

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**7. CHARITABLE ACTIVITIES**

	2016	As restated 2015
	£	£
Direct costs - educational operations	4,853,927	4,931,644
Support costs - educational operations	1,435,468	1,370,956
	<u>6,289,395</u>	<u>6,302,600</u>
<b>Total</b>	<b>6,289,395</b>	<b>6,302,600</b>

	2016	As restated 2015
	£	£
Analysis of support costs		
Support staff costs	497,409	381,570
Depreciation and profit on disposal of fixed assets	104,742	125,810
Technology costs	36,657	39,969
Premises costs	582,945	589,329
Other support costs	206,318	227,528
Governance costs	7,397	6,750
	<u>1,435,468</u>	<u>1,370,956</u>
<b>Total</b>	<b>1,435,468</b>	<b>1,370,956</b>

**8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	104,742	125,810
Auditors' remuneration - audit	5,100	4,950
Auditors' remuneration - other services	2,100	1,800
Operating lease rentals	6,883	3,958
	<u>6,883</u>	<u>3,958</u>

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**9. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,671,306	3,631,827
Social security costs	296,562	261,928
Operating costs of defined benefit pension schemes	637,923	568,217
	4,605,791	4,461,972
Supply teacher costs	5,211	10,285
Staff severance payments	18,720	47,474
	4,629,722	4,519,731

Included in staff severance payments are non-statutory/non-contractual severance payments totalling £18,720 (2015 - £47,474). Individually, the payment was £18,720 (2015 - £3,100, £35,000 and £9,374).

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

	2016 No.	2015 No.
Teachers	82	79
Administration and support	58	65
Management	7	6
	147	150

The average number of persons employed by the trust during the year expressed as full time equivalents was as follows:

	2016 No.	2015 No.
Teachers	75	66
Administration and support	45	39
Management	5	6
	125	111

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

	2016 No.	2015 No.
In the band £ 70,001 - £ 80,000	1	1
In the band £ 80,001 - £ 90,000	0	1

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £604,229 (2015: £615,568).

Included in the above are employer pension contributions of £84,009 (2015: £76,703).

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**10. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits paid was as follows:

Verity J Hanson

Remuneration £35,000 - £40,000 (2015: £30,000 - £35,000)

Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

Sally K Philpot

Remuneration £25,000 - £30,000 (2015: £25,000 - £30,000)

Employer's pension contributions £0 - £5,000 (2015: £0 - £5,000)

Dale Timbers

Remuneration £40,000 - £45,000 (2015: £40,000 - £45,000)

Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

Peter Whear

Remuneration £Nil (2015: £35,000 - £40,000)

Employer's pension contributions £Nil (2015: £5,000 - £10,000)

Severance payment £Nil (2015: £30,000 - £35,000)

Elizabeth Plater

Remuneration £25,000 - £30,000 (2015: £85,000 - £90,000)

Employer's pension contributions £0 - £5,000 (2015: £10,000 - £15,000)

Carol Dallas

Remuneration £55,000 - £60,000 (2015: £Nil)

Employer's pension contributions £5,000 - £10,000 (2015: £Nil)

During the year ended 31 August 2016, expenses totalling £Nil (2015 - £66) were reimbursed to Trustees (2015 - to 1 Trustee) in carrying out their duties as employees of the Trust. No Trustee claimed any expenses in carrying out their role as a Trustee (2015 - none).

Other related party transactions involving trustees are set out in note 22.

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

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.



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**12. TANGIBLE FIXED ASSETS**

	Equipment £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2015	269,281	13,200	182,360	265,649	730,490
Additions	-	-	-	38,449	38,449
Disposals	-	(6,600)	-	-	(6,600)
At 31 August 2016	<u>269,281</u>	<u>6,600</u>	<u>182,360</u>	<u>304,098</u>	<u>762,339</u>
<b>Depreciation</b>					
At 1 September 2015	59,640	6,380	43,854	159,376	269,250
Charge for the year	26,928	1,760	18,236	58,076	105,000
On disposals	-	(3,630)	-	-	(3,630)
At 31 August 2016	<u>86,568</u>	<u>4,510</u>	<u>62,090</u>	<u>217,452</u>	<u>370,620</u>
<b>Net book value</b>					
At 31 August 2016	<u>182,713</u>	<u>2,090</u>	<u>120,270</u>	<u>86,646</u>	<u>391,719</u>
At 31 August 2015	<u>209,641</u>	<u>6,820</u>	<u>138,506</u>	<u>106,273</u>	<u>461,240</u>

**13. DEBTORS**

	2016 £	2015 £
Trade debtors	1,147	10,334
VAT recoverable	15,198	46,740
Prepayments and accrued income	75,451	162,610
	<u>91,796</u>	<u>219,684</u>

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**14. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	143,030	249,436
Other taxation and social security	86,848	75,933
Other creditors	159,760	99,162
Accruals and deferred income	226,722	190,756
	<u>616,360</u>	<u>615,287</u>
	<u>616,360</u>	<u>615,287</u>
	2016 £	2015 £
<b>Deferred income</b>		
Deferred income at 1 September 2015	181,554	63,697
Resources deferred during the year	162,988	181,554
Amounts released from previous years	(181,554)	(63,697)
	<u>162,988</u>	<u>181,554</u>
Deferred income at 31 August 2016	<u>162,988</u>	<u>181,554</u>

At the balance sheet date the academy trust was holding funds received in advance in relation to Local Authority Dyslexia Outreach Service, educational visits and pupil premium for looked after children.

**15. FINANCIAL INSTRUMENTS**

	2016 £	2015 £
Financial assets measured at amortised cost	1,338,498	1,209,517
	<u>1,338,498</u>	<u>1,209,517</u>
Financial liabilities measured at amortised cost	366,524	357,800
	<u>366,524</u>	<u>357,800</u>

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

Financial liabilities measured at amortised cost comprise trade creditors, pension creditor, bursary creditor and accruals.

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**16. STATEMENT OF FUNDS**

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
<b>Unrestricted funds</b>						
Unrestricted funds	601,384	6,656	-	-	-	608,040
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	5,334,944	(5,324,045)	-	-	10,899
Other DfE/EFA grants	-	136,563	(136,563)	-	-	-
Other government grants	-	95,242	(95,242)	-	-	-
Educational Visits	20,397	175,233	(182,601)	-	-	13,029
School Games Organiser	85,490	112,322	(108,194)	-	-	89,618
Other restricted Dyslexia Outreach Service	-	46,326	(46,326)	-	-	-
Pension reserve	18,208	223,734	(206,454)	-	-	35,488
	(699,000)	-	(82,000)	-	(617,000)	(1,398,000)
	(574,905)	6,124,364	(6,181,425)	-	(617,000)	(1,248,966)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	417,226	-	(92,724)	38,449	-	362,951
Capital Expenditure from GAG	44,014	-	(15,246)	-	-	28,768
DfE/EFA capital grants	18,838	38,463	-	(38,449)	-	18,852
	480,078	38,463	(107,970)	-	-	410,571
Total restricted funds	(94,827)	6,162,827	(6,289,395)	-	(617,000)	(838,395)
Total of funds	506,557	6,169,483	(6,289,395)	-	(617,000)	(230,355)

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 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 2016.

**Other DfE/EFA grants**

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.

**Other government grants**

This represents other funding from the government towards the provision of education.

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**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.

**Other Restricted**

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

**Pension reserve**

This fund represents the Trust'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 20 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.

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	391,719	391,719	461,240
Current assets	608,040	765,394	18,852	1,392,286	1,359,604
Creditors due within one year	-	(616,360)	-	(616,360)	(615,287)
Pension scheme liability	-	(1,398,000)	-	(1,398,000)	(699,000)
	<u>608,040</u>	<u>(1,248,966)</u>	<u>410,571</u>	<u>(230,355)</u>	<u>506,557</u>

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

	2016 £	As restated 2015 £
Net expenditure for the year (as per Statement of financial activities)	(119,912)	(351,486)
<b>Adjustment for:</b>		
Depreciation charges	105,000	125,810
Dividends, interest and rents from investments	(2,923)	(2,614)
Loss on the sale of fixed assets	2,970	-
Decrease/(increase) in debtors	127,888	(28,453)
Increase in creditors	1,073	188,516
Capital grants from DfE and other capital income	(38,463)	(23,748)
Pension adjustments	82,000	82,000
	157,633	(9,975)
<b>Net cash provided by/(used in) operating activities</b>	<b>157,633</b>	<b>(9,975)</b>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	1,300,490	1,139,920
Total	1,300,490	1,139,920

**20. PENSION COMMITMENTS**

The trust'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 Local Government Pension Schemes.

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

Contributions amounting to £73,736 were payable to the schemes at 31 August 2016 (2015 - 64,819) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

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**20. PENSION COMMITMENTS (continued)**

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £429,141 (2015 - £388,195).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £167,000 (2015 - £162,000) of which employer's contributions totalled £125,000 (2015 - £121,000) and employees' contributions totalled £42,000 (2015 - £41,000). The agreed future contribution rate for employers are 18.3% to 31 March 2017, 19.3% to 31 March 2018, 20.3% to 31 March 2019 and 21.3% to 31 March 2020. The agreed future contribution rate for employees is tiered based on salary levels between the following rates, 5.5% and 12.5%.

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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	3.10 %	3.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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**20. PENSION COMMITMENTS (continued)**

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

	2016	2015
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	24.3	24.5
Females	26.9	26.9

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,103,000	825,000
Bonds	478,000	370,000
Property	221,000	185,000
Cash	36,000	43,000
Total market value of assets	<u>1,838,000</u>	<u>1,423,000</u>

The actual return on scheme assets was £248,000 (2015 - £53,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(180,000)	(180,000)
Net interest cost	(27,000)	(23,000)
Total	<u>(207,000)</u>	<u>(203,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	2,122,000	1,810,000
Current service cost	180,000	180,000
Interest cost	83,000	71,000
Contributions by employees	42,000	41,000
Actuarial losses	809,000	20,000
Closing defined benefit obligation	<u>3,236,000</u>	<u>2,122,000</u>

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**20. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Opening fair value of scheme assets	1,423,000	1,208,000
Interest income	56,000	48,000
Actuarial gains and (losses)	192,000	5,000
Contributions by employer	125,000	121,000
Contributions by employees	42,000	41,000
	<u>1,838,000</u>	<u>1,423,000</u>
Closing fair value of scheme assets	<u>1,838,000</u>	<u>1,423,000</u>

**21. OPERATING LEASE COMMITMENTS**

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

	2016 £	2015 £
<b>Amounts payable for other leases</b>		
Within 1 year	4,248	3,958
Between 1 and 5 years	13,848	871
	<u>18,096</u>	<u>4,829</u>
Total	<u>18,096</u>	<u>4,829</u>
<b>Amounts payable for land and buildings</b>		
Within 1 year	526,356	512,442
Between 1 and 5 years	2,105,424	2,049,768
After more than 5 years	5,746,053	6,106,601
	<u>8,377,833</u>	<u>8,668,811</u>
Total	<u>8,377,833</u>	<u>8,668,811</u>

The annual payments made for the PFI contract, included in Land and Buildings above, are not fixed. The amounts due vary depending on several factors, including inflation and number of pupils enrolled at the school. For the purposes of disclosure, the cost in August 2016 has been taken as a basis to calculate the annual future commitment up to the end of the term of the PFI agreement on 31 July 2032, however the commitment is expected to change each year going forwards.



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**22. RELATED PARTY TRANSACTIONS**

Taverham Recreational Facilities Limited owns the all-weather hockey pitches and facilities adjoining the school premises, which the school uses. Taverham Recreational Facilities Limited is a charitable company of which Elizabeth Plater is a trustee. Elizabeth Plater was also a trustee of Taverham High School during this period of account.

As part of an agreement entered into prior to the school converting to an academy and prior to 7 November 2011, rent of £19,000 was charged by Taverham Recreational Facilities Limited for the use of the facilities within the pavilion (2015: £19,000).

Income was received from Taverham Recreational Facilities Ltd during the year totalling £878 (2015: £600).

There is no amount due to or from the related party at the year end (2015: £NIL).

The trust also received an amount of £Nil (2015: £1,772) from Taverham Junior School of which trustee Paul Seabrook, is also a trustee. This was in respect of School Games Organiser and Dyslexia Outreach Service.

There is no amount due to or from the related party at the year end (2015: £NIL).

The trust also received an amount of £2,075 (2015: £NIL) from Firside Junior School of which trustee John Smith is also a trustee. This was in respect of School Games Organiser and Dyslexia Outreach Service.

**23. MEMBERS' LIABILITY**

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

**24. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £43,610 and disbursed £8,018 from the fund. An amount of £85,897 is included in other creditors relating to undistributed funds that is repayable to EFA.

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**25. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		873,043	506,556
Total funds reported under FRS 102		<u>873,043</u>	<u>506,556</u>

<b>Reconciliation of net (expenditure)</b>	<b>Notes</b>	31 August 2015 £
Net (expenditure) previously reported under UK GAAP		(330,487)
Change in recognition of LGPS interest cost	A	<u>(21,000)</u>
Net movement in funds reported under FRS 102		<u>(351,487)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A                    The change represents the recognition of the net interest expense under FRS 102.