

**TAVERHAM HIGH SCHOOL**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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

**CONTENTS**

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 9
<b>Governance Statement</b>	10 - 13
<b>Statement on Regularity, Propriety and Compliance</b>	14
<b>Statement of Trustees' Responsibilities</b>	15
<b>Independent Auditors' Report on the Financial Statements</b>	16 - 18
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	19 - 20
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	21
<b>Balance Sheet</b>	22
<b>Statement of Cash Flows</b>	23
<b>Notes to the Financial Statements</b>	24 - 45

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

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

**Members** Andre Korolus  
Margaret Garwood (resigned 11 September 2017)  
John Smith  
Elizabeth Waller (appointed 11 September 2017)

**Trustees** Elizabeth A Waller, Chair  
Verity J Hanson (resigned 30 April 2017)  
Andrew Drummond (resigned 30 April 2017)  
John D Smith  
Andre Korolus  
Dale Timbers  
Joanna Ellis  
Sally K Philpot (resigned 14 December 2016)  
Margaret Garwood  
Nicola C Samuels  
Carol Y Dallas, Headteacher  
Kerry-Ann Ellis  
Daniel Taylor (resigned 10 January 2017)  
Mary Wilson (appointed 9 March 2017)  
Lauren Griffiths (appointed 11 September 2017)  
Steve Mitchell (appointed 11 September 2017)

**Company registered number** 08204680

**Company name** Taverham High School

**Principal and registered office** Beech Avenue  
Norwich  
Norfolk  
NR8 6HP

**Company secretary** Melanie Egleton

**Senior management team** Carol Dallas, Headteacher  
Neil Philpott, Assistant Headteacher  
Paul Rapley, Assistant Headteacher  
David Hyett, Assistant Headteacher  
Helen Ricketts, Deputy Headteacher  
Melanie Egleton, School Business Manager

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

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

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

**Advisers (continued)**

**Bankers**

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

**Solicitors**

Eversheds  
85 Queen Victoria Street  
London  
EC4V 4JL

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

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

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Taverham High School for the year ended 31 August 2017. 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 and had a roll of 980 plus 152 sixth form students in the summer 2017 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 £10,000,000 on any one claim and details of the costs 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 5 member appointed trustees, 3 co-opted trustees, 3 staff trustees, 5 parent trustees and 1 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. To this end the Trust provides an internal programme continued professional development led by school staff and links with a number of local training providers.

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 a 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.

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

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

**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.

The Headteacher manages the Academy on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently 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

Key management personnel include Academy Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

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 approved by the appropriate sub-committee and 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:

- The Wensum Trust
- Taverham Recreational Facilities
- Norfolk Secondary Education Leaders
- Lloyds Bank

The Trust does not have a formal sponsor.

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

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

## **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 and 18.

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

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

- Reorganising the TLR structure to incorporate Heads of Faculty and Heads of Key Stage
- Increased tracking and monitoring of student progress
- Targeted intervention packages
- Improved parental engagement regarding the progress of students
- Reviewing the support staff structure and changing job descriptions of support staff to improve communication,
- Reviewing the job descriptions of the Leadership Team to ensure a targeted focus on specific faculties and progress data

Our success in fulfilling our aims can be measured by:

- Progress figures have significantly improved for Key stage 4
- Progress figures for Pupil Premium students have improved
- In Key Stage 5 there is an increase in the number of subjects in the higher bands for ALPs
- Standards in Art, English have improved
- Teaching and learning across the school has improved
- A wide range of enrichment activities were completed to broaden the experience of students

### **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.

The GCSE results in 2017 continue to improve and remain above average, with 71% of students achieving levels 4-9 in English and Maths.

Progress in Maths continues to be significantly high, and English results are in line with national expectations.

A2 results have indicated an improvement at Taverham High School with 14 subjects being in line, or above national expectation, compared to 9 in 2016.

All Key Stage 5 students progressed onto further or higher education or employment and the NEET figures for Key Stage 4 remain well below national average.

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

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

Key Progress indicators

Specific achievements were as follows:

- Indications are that
  - Progress 8 figures moved from 0.06 to 0.32
  - Progress of PP students moved to 0 from -0.2
- Art has improved as follows
  - 3 levels progress 52% 65.2%
  - 4 levels 8% -34.8%
- English results have increased as follows
  - 3 levels progress 48% to 69%
  - 4 levels progress 17.8% to 24.8%

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 2017 were 1,132 against a forecast of 1,153.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2016/17 this was at 76.5% compared to 75% in 2015/16. 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 Finance and Premises Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants 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.

### **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 and Skills Funding agency (ESFA). For the year ended 31 August 2017 the Trust received £5,967,378 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 £6,278,845 on expenditure. The Academy brought forward from 15/16, £149,034 of restricted funds (ignoring LGPS pension valuation) and £608,040 of unrestricted funding. The carry forward for 16/17 is £144,692 restricted funding and £510,698 unrestricted funding (ignoring pension funds and restricted fixed asset funds).

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £1,357,000. 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.



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

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

Taverham High School is a PFI school and as such does not own buildings or land within fixed assets. As noted above, as the Local Government Pension Scheme is reported under FRS102 with a pension fund deficit of £1,357,000 the school is reporting liabilities in excess of its assets, resulting in a negative balance sheet. The Trustees have considered this and do not believe this means that the Trust is insolvent due to carried forward restricted funds of £144,692 (excluding the pension reserve) and unrestricted funds of £510,698 available at the year end. The 5 year school budget indicates that it will be able to continue in operation and service its obligations for the foreseeable future.

### **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 £512,770. 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 2017 was £657,462.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £1,133,589. 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.

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.

### **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. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Academy does not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

### **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 where possible. 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. This review was last carried out in June 2017. 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.

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

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

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, 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:

- The Academy has considerable reliance on continued Government funding through the ESFA 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;
- 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;
- 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.
- Ability to attract and retain Trustees with suitable skills and knowledge. Trustees have a recruitment and retention programme and maintain links with Norfolk Governor Services and SGOSS who help to match available trustees to trustee needs.
- Student attendance. Changes have been made to Pastoral system to ensure attendance focus. New posts have been created for Behaviour and Attendance leads.
- Loss of key member of staff due to illness or other reason. Areas of high risk have been identified where maximum impact/disruption could occur. CPD Succession planning is in place for key staff.
- Data Protection Act not complied with. A data protection policy is in place. Key members of staff to attend training on GDPR to ensure school is compliant with new legislation.

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

**Plans for Future Periods**

The school continues to work to the aims of the 3 year strategic plan as follows:

**Key Priority - Outcomes**

1. Improve the progress made by students at KS4
2. Improve standards at KS4 by raising aspirations
3. Improving standards achieved by key subjects
4. Improving standards achieved by disadvantaged students including PP and SEND support.
5. Use a coordinated programme of enrichment activities to enhance learning and raise aspirations.

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

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

**Key Priority - Leadership and Management**

1. Improve leadership throughout the school
2. Develop outstanding leadership through the Head of Faculty structure.
3. Develop Governance procedures and practice
4. Improve literacy across the curriculum
5. Improve financial sustainability across the school
6. 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. To improve Teaching, Learning and Assessment at key stage 3,4&5
2. Establish accurate and regular assessments leading to effective interventions.
3. Consistency of marking and feedback in terms of impact on learners' progress.
4. Improve resilience.
5. Improve communication and sharing good practice across the school.
6. Develop questioning to deepen learning and understanding, improve differentiation and resilience and promote active response by students to learning.
7. 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**

None of the funds held by the Trust are as Custodian Trustee on behalf of others.

**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 order of the board of trustees, as the company directors, on 7 December 2017 and signed on its behalf by:

**Elizabeth A Waller**  
**Chair of Trustees**

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

**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 3 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
Elizabeth A Waller, Chair	3	3
Verity J Hanson	0	3
Andrew Drummond	3	3
John D Smith	3	3
Andre Korolus	3	3
Dale Timbers	3	3
Joanna Ellis	3	3
Sally K Philpot	2	3
Margaret Garwood	3	3
Nicola C Samuels	3	3
Carol Y Dallas, Headteacher	2	3
Kerry-Ann Ellis	1	3
Daniel Taylor	0	2
Mary Wilson	0	0
Lauren Griffiths	0	0
Steve Mitchell	0	0

There were no major changes to the boards of trustees during the year. The challenges that the board of trustees experienced were as a result of the external review of governance which took place during October 2016.

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	6	6
Margaret Garwood	6	6
Elizabeth A Waller	5	6
Carol Y Dallas	5	6
Dale Timbers	2	3
Kerry-Ann Ellis	6	6

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

**GOVERNANCE STATEMENT (continued)**

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy trust 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 trust'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 trust has delivered improved value for money during the year by:

The school's support staff structure was reviewed as it had been formulated over time and no longer reflected the current needs of the school. This review was undertaken to significantly improve attendance, particularly of vulnerable groups, support for mental health and behavioral problems and ultimately student outcomes. Long term financial savings were made by removing posts from the structure that were no longer required in order to meet the School Improvement and Development Plan.

A review of external provision was undertaken and as part of the restructure the school was able to save £10,000 per annum by providing support for these students within school.

A full time Administrator post for sixth form was created to enhance the strategic development recruitment and retention and financial sustainability of the sixth form. The creation of the post allows the Sixth Form Leadership Team (SFLT) to focus on the sustainability of the sixth form. This in turn has led to increased recruitment and will enable the SFLT to raise standards in teaching learning and progress.

A review of the school software provision was carried out which included the school management information system. A cost benefit analysis was undertaken comparing the current provider to 2 other companies. Following a consultation with key members of staff and the governing body a new provider was selected. The benefits of the new system are:

- Improved communication with parents
- Improved identification of target groups and access to live data which is easy to manipulate for monitoring of student progress
- Financial savings of £40,000 over 5 years

A governance self-evaluation process was carried out with an external review from Education Solutions in October 2016. This led to the following Trustees' actions:

- Completion of a document showing the results of the GBSE in terms of Red, Amber and Green Action Points
- Changes to Trustees' Terms of Reference
- Creation of a Trustees' detailed Action Plan to sit along the School Improvement Plan
- Restructure of Trustees' committees to ensure greater efficiency and working practices
- Restructure of strategic Trustees' Linked Visits to School Faculties
- Reformed Trustee Visits Guidelines
- Revised Induction Programme for new Trustees

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

**GOVERNANCE STATEMENT (continued)**

- Completion of a Skills Analysis in December 2016 which revealed the need for further trustee expertise in Finance, HR and IT which has since been addressed/ Minutes of the GBSE meeting dated 13 October 2016.
- Actions approved and implemented at the Full Trustee Board Meeting in December 2016 followed by updates in January 2017 following monitoring processes by the board of trustees

The impact of these changes has been:

- Successful induction of new head teacher together with PM targets holding HT to account for strategic objectives in school development plans
- Positive progress 8
- Narrowing PP attainment gap

**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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Taverham High School for the year 1 September 2016 to 31 August 2017 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 trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

The academy trust'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 ongoing independent assurance that:

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

**GOVERNANCE STATEMENT (continued)**

- 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 reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- 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

Each term, 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.

On a semi-annual basis, the reviewer reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the 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 peer reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust 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 7 December 2017 and signed on their behalf, by:

**Elizabeth A Waller**  
**Chair of Trustees**

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

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

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

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

Date: 7 December 2017



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

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

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 7 December 2017 and signed on its behalf by:

**Elizabeth A Waller**  
**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**

**OPINION**

We have audited the financial statements of Taverham High School (the 'academy trust') for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

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

**OTHER INFORMATION**

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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

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

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

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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  
18 December 2017

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

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

In accordance with the terms of our engagement letter dated 23 September 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Taverham High School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Taverham High School and the ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Taverham High School and the ESFA, 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO TAVERHAM  
HIGH SCHOOL AND THE EDUCATION AND SKILLS 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Price Bailey LLP**

Reporting Accountant

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

18 December 2017

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

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	168,534	31,452	199,986	213,696
Charitable activities	5	-	5,570,320	-	5,570,320	5,791,954
Other trading activities	3	1,153	193,587	-	194,740	160,910
Investments	4	2,332	-	-	2,332	2,923
<b>TOTAL INCOME</b>		<u>3,485</u>	<u>5,932,441</u>	<u>31,452</u>	<u>5,967,378</u>	<u>6,169,483</u>
<b>EXPENDITURE ON:</b>						
Charitable activities	7	100,827	6,085,711	92,307	6,278,845	6,289,395
<b>TOTAL EXPENDITURE</b>	6	<u>100,827</u>	<u>6,085,711</u>	<u>92,307</u>	<u>6,278,845</u>	<u>6,289,395</u>
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(97,342)	(153,270)	(60,855)	(311,467)	(119,912)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	192,000	-	192,000	(617,000)
<b>NET MOVEMENT IN FUNDS</b>		<u>(97,342)</u>	<u>38,730</u>	<u>(60,855)</u>	<u>(119,467)</u>	<u>(736,912)</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		608,040	(1,248,966)	410,571	(230,355)	506,557
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>510,698</u></u>	<u><u>(1,210,236)</u></u>	<u><u>349,716</u></u>	<u><u>(349,822)</u></u>	<u><u>(230,355)</u></u>

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	12		328,124		391,719
<b>CURRENT ASSETS</b>					
Debtors	13	153,193		91,796	
Cash at bank and in hand		1,133,589		1,300,490	
		<u>1,286,782</u>		<u>1,392,286</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(607,728)		(616,360)	
		<u>(607,728)</u>		<u>(616,360)</u>	
<b>NET CURRENT ASSETS</b>					
			679,054		775,926
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Defined benefit pension scheme liability	20		1,007,178		1,167,645
			<u>(1,357,000)</u>		<u>(1,398,000)</u>
<b>NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES</b>					
			<u>(349,822)</u>		<u>(230,355)</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	146,764		149,034	
Restricted fixed asset funds	16	349,716		410,571	
		<u>496,480</u>		<u>559,605</u>	
Restricted income funds excluding pension liability		496,480		559,605	
Pension reserve		<u>(1,357,000)</u>		<u>(1,398,000)</u>	
Total restricted income funds			(860,520)		(838,395)
Unrestricted income funds	16		510,698		608,040
			<u>(860,520)</u>		<u>(838,395)</u>
<b>TOTAL DEFICIT</b>					
			<u>(349,822)</u>		<u>(230,355)</u>

The financial statements on pages 21 to 45 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:

**Elizabeth A Waller**  
**Chair of Trustees**



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

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

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	18	(140,521)	157,633
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		2,332	2,923
Purchase of tangible fixed assets		(28,712)	(38,449)
Capital grants from DfE/ESFA		-	38,463
<b>Net cash (used in)/provided by investing activities</b>		<b>(26,380)</b>	<b>2,937</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(166,901)</b>	<b>160,570</b>
Cash and cash equivalents brought forward		1,300,490	1,139,920
<b>Cash and cash equivalents carried forward</b>		<b>1,133,589</b>	<b>1,300,490</b>

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

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

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

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

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

**1.2 General information**

The academy trust is a company limited by guarantee, incorporated in England and Wales under the Companies Act 2006. The address of its registered office is Beech Avenue, Norwich, Norfolk, NR8 6HP.

The financial statements are presented in sterling, which is the functional currency of the company, and rounded to the nearest pound.

**1.3 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

All income is recognised once the academy trust 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 receipt is probable and the amount can be reliably measured.

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

**1.5 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.6 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 £349,822 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 £1,357,000 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.

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities 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.

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

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

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

**1.8 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.

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.9 Taxation**

The academy trust 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 trust 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 Creditors and provisions**

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

**1.13 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.14 Pensions**

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

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

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the Academy Trust is demonstrably committed to either:

- terminate the employment of an employee or group of employees before normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Trust is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.16 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA 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.

**1.17 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The academy trust 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	-	168,534	7,523	176,057	175,233
Capital Grants	-	-	23,929	23,929	38,463
	-	168,534	31,452	199,986	213,696
<i>Total 2016</i>	-	175,233	38,463	213,696	

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

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

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Rental Income	1,144	-	1,144	3,030
Other Income	9	176,314	176,323	143,727
Music lessons	-	17,273	17,273	14,153
	<u>1,153</u>	<u>193,587</u>	<u>194,740</u>	<u>160,910</u>
<i>Total 2016</i>	<u>3,733</u>	<u>157,177</u>	<u>160,910</u>	

**4. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank Interest	2,332	-	2,332	2,923
	<u>2,332</u>	<u>-</u>	<u>2,332</u>	<u>2,923</u>
<i>Total 2016</i>	<u>2,923</u>	<u>-</u>	<u>2,923</u>	



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

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

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	5,102,915	5,102,915	5,334,944
Other DfE / ESFA grants	-	172,277	172,277	136,563
	-	5,275,192	5,275,192	5,471,507
<b>Other government grants</b>				
Local authority grants	-	193,810	193,810	193,510
Other government grants	-	50,640	50,640	57,648
	-	244,450	244,450	251,158
<b>Other funding</b>				
Income from other schools	-	50,678	50,678	69,289
	-	50,678	50,678	69,289
	-	5,570,320	5,570,320	5,791,954
<i>Total 2016</i>	-	5,791,954	5,791,954	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
<b>Provision of Education:</b>					
Direct costs	4,164,651	-	732,855	4,897,506	4,853,927
Support costs	462,909	639,655	278,775	1,381,339	1,435,468
	4,627,560	639,655	1,011,630	6,278,845	6,289,395
<i>Total 2016</i>	4,629,722	582,945	1,076,728	6,289,395	

In 2017, of the total expenditure, £100,827 (2016 - £Nil) was to unrestricted funds, £6,085,711 (2016 - £6,181,425) was to restricted funds and £92,307 (£107,970) to restricted fixed asset funds.

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

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

**7. CHARITABLE ACTIVITIES**

	2017	2016
	£	£
Direct costs - educational operations	4,897,506	4,853,927
Support costs - educational operations	1,381,339	1,435,468
	<u>6,278,845</u>	<u>6,289,395</u>
<b>Total</b>	<b>6,278,845</b>	<b>6,289,395</b>

Analysis of support costs

	2017	2016
	£	£
Support staff costs	421,471	497,409
Depreciation and profit on disposal of fixed assets	92,307	104,742
Technology costs	55,317	36,657
Premises costs	639,655	582,945
Other support costs	159,214	206,318
Governance costs	13,375	7,397
	<u>1,381,339</u>	<u>1,435,468</u>
<b>Total</b>	<b>1,381,339</b>	<b>1,435,468</b>

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

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	92,307	104,742
Auditors' remuneration - audit	6,790	5,100
Auditors' remuneration - other services	5,535	2,100
Operating lease rentals	8,887	6,883
	<u>8,887</u>	<u>6,883</u>

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

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

**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,550,556	3,671,306
Social security costs	338,692	296,562
Operating costs of defined benefit pension schemes	697,848	637,923
	<u>4,587,096</u>	<u>4,605,791</u>
Apprenticeship levy	1,252	-
Staff restructuring costs	27,499	18,720
Supply staff costs	11,713	5,211
	<u>4,627,560</u>	<u>4,629,722</u>

Staff restructuring costs comprise:

Redundancy payments	14,689	-
Severance payments	12,810	18,720
	<u>27,499</u>	<u>18,720</u>

Included in staff restructuring costs in year are non-statutory/non-contractual severance payments totalling £12,810. Individually the payments were £6,000 and £6,810 (2016: one payment of £18,720).

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

	2017 No.	2016 No.
Teachers	76	82
Administration and support	51	58
Management	6	7
	<u>133</u>	<u>147</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	65	75
Administration and support	33	45
Management	6	5
	<u>104</u>	<u>125</u>

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

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

**9. STAFF COSTS (continued)**

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

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 £605,837 (2016: £656,002).

Included in the above are employer pension contributions of £80,403 (2016: £84,009).

**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 was as follows:

		2017 £	2016 £
Verity J Hanson	Remuneration	20,000-25,000	35,000-40,000
	Pension contributions paid	0-5,000	5,000-10,000
Dale Timbers	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Sally K Philpot	Remuneration	5,000-10,000	25,000-30,000
	Pension contributions paid	0-5,000	0-5,000
Carol Y Dallas	Remuneration	85,000-90,000	55,000-60,000
	Pension contributions paid	10,000-15,000	5,000-10,000
Elizabeth Plater	Remuneration	N/A	25,000-30,000
	Pension contributions paid	N/A	0-5,000

During the year ended 31 August 2017, expenses totalling £605 (2016 - £NIL) were reimbursed to 2 Trustees (2016 - None ).

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

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

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

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

**12. TANGIBLE FIXED ASSETS**

	Equipment £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2016	269,281	6,600	182,360	304,096	762,337
Additions	-	-	-	28,712	28,712
At 31 August 2017	<u>269,281</u>	<u>6,600</u>	<u>182,360</u>	<u>332,808</u>	<u>791,049</u>
<b>Depreciation</b>					
At 1 September 2016	86,568	4,510	62,090	217,450	370,618
Charge for the year	26,928	1,320	18,236	45,823	92,307
At 31 August 2017	<u>113,496</u>	<u>5,830</u>	<u>80,326</u>	<u>263,273</u>	<u>462,925</u>
<b>Net book value</b>					
At 31 August 2017	<u>155,785</u>	<u>770</u>	<u>102,034</u>	<u>69,535</u>	<u>328,124</u>
At 31 August 2016	<u>182,713</u>	<u>2,090</u>	<u>120,270</u>	<u>86,646</u>	<u>391,719</u>

**13. DEBTORS**

	2017 £	2016 £
Trade debtors	3,489	1,147
VAT recoverable	34,981	15,198
Prepayments and accrued income	114,723	75,451
	<u>153,193</u>	<u>91,796</u>

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

	2017 £	2016 £
Trade creditors	173,191	143,030
Other taxation and social security	87,638	86,848
Other creditors	178,354	159,760
Accruals and deferred income	168,545	226,722
	<u>607,728</u>	<u>616,360</u>

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

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

**14. CREDITORS: Amounts falling due within one year (continued)**

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	162,988	181,554
Resources deferred during the year	82,441	162,988
Amounts released from previous years	(162,988)	(181,554)
	82,441	162,988
	82,441	162,988

At the balance sheet date the academy trust was holding funds received in advance in relation to rates relief received in advance, bikeability grants, educational visits and pupil premium for looked after children.

**15. FINANCIAL INSTRUMENTS**

	2017 £	2016 £
Financial assets measured at amortised cost	1,198,660	1,338,498
	1,198,660	1,338,498
Financial liabilities measured at amortised cost	437,649	366,524
	437,649	366,524

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.

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

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

**16. STATEMENT OF FUNDS**

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
Unrestricted funds	608,040	3,485	(100,827)	-	-	510,698
<b>Restricted funds</b>						
General Annual Grant (GAG)	10,899	5,102,915	(5,113,814)	-	-	-
Other DfE/ESFA grants	-	172,277	(172,277)	-	-	-
Other government grants	-	76,925	(76,925)	-	-	-
Educational Visits	13,029	162,934	(165,052)	-	-	10,911
School Games Organiser	89,618	114,636	(126,138)	-	-	78,116
Other restricted	-	60,415	(55,015)	-	-	5,400
Dyslexia Outreach Service	35,488	242,339	(225,490)	-	-	52,337
Pension reserve	(1,398,000)	-	(151,000)	-	192,000	(1,357,000)
	<u>(1,248,966)</u>	<u>5,932,441</u>	<u>(6,085,711)</u>	<u>-</u>	<u>192,000</u>	<u>(1,210,236)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	362,951	-	(77,571)	28,712	-	314,092
Capital Expenditure from GAG	28,768	-	(14,736)	-	-	14,032
DfE/ESFA capital grants	18,852	23,929	-	(21,189)	-	21,592
Other Restricted Fixed Asset Funds	-	7,523	-	(7,523)	-	-
	<u>410,571</u>	<u>31,452</u>	<u>(92,307)</u>	<u>-</u>	<u>-</u>	<u>349,716</u>
Total restricted funds	<u>(838,395)</u>	<u>5,963,893</u>	<u>(6,178,018)</u>	<u>-</u>	<u>192,000</u>	<u>(860,520)</u>
Total of funds	<u><u>(230,355)</u></u>	<u><u>5,967,378</u></u>	<u><u>(6,278,845)</u></u>	<u><u>-</u></u>	<u><u>192,000</u></u>	<u><u>(349,822)</u></u>

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

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

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
Unrestricted funds	601,384	6,656	-	-	-	608,040
	<u>601,384</u>	<u>6,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>608,040</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	5,334,944	(5,324,045)	-	-	10,899
Other DfE/ESFA 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	-	46,326	(46,326)	-	-	-
Dyslexia Outreach Service	18,208	223,734	(206,454)	-	-	35,488
Pension reserve	(699,000)	-	(82,000)	-	(617,000)	(1,398,000)
	<u>(574,905)</u>	<u>6,124,364</u>	<u>(6,181,425)</u>	<u>-</u>	<u>(617,000)</u>	<u>(1,248,966)</u>
<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/ESFA capital grants	18,838	38,463	-	(38,449)	-	18,852
	<u>480,078</u>	<u>38,463</u>	<u>(107,970)</u>	<u>-</u>	<u>-</u>	<u>410,571</u>
Total restricted funds	<u>(94,827)</u>	<u>6,162,827</u>	<u>(6,289,395)</u>	<u>-</u>	<u>(617,000)</u>	<u>(838,395)</u>
Total of funds	<u>506,557</u>	<u>6,169,483</u>	<u>(6,289,395)</u>	<u>-</u>	<u>(617,000)</u>	<u>(230,355)</u>



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

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

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

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

**General Annual Grant (GAG)**

This represents funding from the ESFA 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 2017.

**Other DfE/ESFA 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.

**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, including funding towards music lessons, exams and other miscellaneous activities.

**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.

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

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

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	328,124	328,124
Current assets	510,698	754,492	21,592	1,286,782
Creditors due within one year	-	(607,728)	-	(607,728)
Pension scheme liability	-	(1,357,000)	-	(1,357,000)
	<u>510,698</u>	<u>(1,210,236)</u>	<u>349,716</u>	<u>(349,822)</u>

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	391,719	391,719
Current assets	608,040	765,394	18,852	1,392,286
Creditors due within one year	-	(616,360)	-	(616,360)
Provisions for liabilities and charges	-	(1,398,000)	-	(1,398,000)
	<u>608,040</u>	<u>(1,248,966)</u>	<u>410,571</u>	<u>(230,355)</u>

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(311,467)	(119,912)
<b>Adjustment for:</b>		
Depreciation charges	92,307	105,000
Dividends, interest and rents from investments	(2,332)	(2,923)
Loss on the sale of fixed assets	-	2,970
(Increase)/decrease in debtors	(61,397)	127,888
(Decrease)/increase in creditors	(8,632)	1,073
Capital grants from DfE and other capital income	-	(38,463)
Pension adjustments	151,000	82,000
	<u>(140,521)</u>	<u>157,633</u>
<b>Net cash (used in)/provided by operating activities</b>	<u>(140,521)</u>	<u>157,633</u>

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

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

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

	2017	2016
	£	£
Cash in hand	1,133,589	1,300,490
Total	1,133,589	1,300,490

**20. PENSION COMMITMENTS**

The academy 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 Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £73,858 were payable to the schemes at 31 August 2017 (2016 - 73,736) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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%.

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

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

**20. PENSION COMMITMENTS (continued)**

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

The employer's pension costs paid to TPS in the period amounted to £447,452 (2016 - £429,141).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £169,000 (2016 - £167,000), of which employer's contributions totalled £128,000 (2016 - £125,000) and employees' contributions totalled £41,000 (2016 - £42,000). The agreed future contribution rates for employers are 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 rates of 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:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.70 %	3.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Commutation of pensions to lump sums	50.00 %	50.00 %

The commutation rate of 50% relates to pre April 2008 service and increased to 75% for post April 2008 service.

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

	2017	2016
Retiring today		
Males	22.1	22.1
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.3
Females	26.4	26.9

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

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

**20. PENSION COMMITMENTS (continued)**

<b>Sensitivity analysis</b>	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	3,475,668	3,320,136
Discount rate -0.1%	3,286,332	3,151,864
Mortality assumption - 1 year increase	3,408,048	3,268,360
Mortality assumption - 1 year decrease	3,353,952	3,203,640
CPI rate +0.1%	3,455,382	3,294,248
CPI rate -0.1%	3,306,618	3,177,752

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,239,000	1,103,000
Bonds	500,000	478,000
Property	220,000	221,000
Cash	39,000	36,000
<b>Total market value of assets</b>	<b>1,998,000</b>	<b>1,838,000</b>

The actual return on scheme assets was £17,000 (2016 - £248,000).

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

	2017 £	2016 £
Current service cost	(250,000)	(180,000)
Interest income	38,000	56,000
Interest cost	(67,000)	(83,000)
<b>Total</b>	<b>(279,000)</b>	<b>(207,000)</b>

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

	2017 £	2016 £
Opening defined benefit obligation	3,236,000	2,122,000
Current service cost	250,000	180,000
Interest cost	67,000	83,000
Employee contributions	41,000	42,000
Actuarial (gains)/losses	(213,000)	809,000
Benefits paid	(26,000)	-
<b>Closing defined benefit obligation</b>	<b>3,355,000</b>	<b>3,236,000</b>

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

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

**20. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	1,838,000	1,423,000
Interest income	38,000	56,000
Actuarial gains/(losses)	(21,000)	192,000
Employer contributions	128,000	125,000
Employee contributions	41,000	42,000
Benefits paid	(26,000)	-
	<u>1,998,000</u>	<u>1,838,000</u>
Closing fair value of scheme assets	<u>1,998,000</u>	<u>1,838,000</u>

**21. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>Amounts payable for other leases</b>		
Within 1 year	9,862	4,248
Between 1 and 5 years	30,340	13,848
Total	<u>40,202</u>	<u>18,096</u>
<b>Amounts payable for land and buildings</b>		
Within 1 year	542,182	526,356
Between 1 and 5 years	2,168,728	2,105,424
After more than 5 years	5,738,092	5,746,053
Total	<u>8,449,002</u>	<u>8,377,833</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 2017 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.

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

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

**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 Melanie Egleton is a trustee. Melanie Egleton was also the Company Secretary of Taverham High School as well as a member of the Senior Management Team, thus being a member of key management personnel, 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 (2016: £19,000). Income was received from Taverham Recreational Facilities Ltd during the year totalling £710 (2016: £878). There is no amount due to or from the related party at the year end (2016: £NIL).

The trust also received an amount of £6,740 from the Wensum Trust (2016: £2,075 from Firside Junior School) of which the trustee John Smith 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 (2016: £NIL).

The trust received £2,333 from Norfolk Secondary Education Leaders (2016: £Nil) of which Carol Dallas, trustee, is also co-chair. There is no amount due to or from the related party at the year end (2016: £NIL).

Finally, the academy trust received a donation of £30 from Nicola Samuels, a trustee of the school (2016: £Nil).

**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 ESFA. In the accounting period ending 31 August 2017 the Trust received £42,643 (2016: £43,610) and disbursed £22,920 (2016: £8,018) from the fund. In addition, the Trust made an administration charge of £2,072 (2016: £2,061) for administering these funds. An amount of £103,548 (2016: £85,897) is included in other creditors relating to undistributed funds that is repayable to ESFA.