

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

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TAVERHAM HIGH SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	John Smith (resigned 15 July 2019) Lauren Griffiths (appointed 15 July 2019) Steven Mitchell (appointed 4 December 2018) Robert Linnell Andre Korolus (resigned 4 December 2018)
Trustees	Robert Linnell, Chair of Trustees Nicola Samuels (resigned 1 March 2019) David Bullard (appointed 4 December 2018) Andre Korolus (resigned 4 December 2018) Mary Wilson (resigned 10 June 2019) Lauren Griffiths, Vice Chair John Smith (resigned 15 July 2019) Carol Dallas, Headteacher June Sewell Mark Carter (appointed 4 December 2018) Steven Mitchell Ian Duckett (appointed 4 December 2018) Dale Timbers Joanna Ellis Markella Papageorgiou (appointed 4 December 2018)
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 James Linnell, Head of Sixth Form (Appointed 1 September 2019)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Independent auditors Price Bailey LLP
Chartered Accountants
Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

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

Solicitors Eversheds
85 Queen Victoria Street
London
EC4V 4JL

TAVERHAM HIGH SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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 2019. 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 1,100 in the main school and had a roll of 1,020. Furthermore, the trust had a roll of 166 sixth form students as identified in the summer 2019 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 £5,000,000 on any one claim and details of the costs are disclosed in Note 13 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.

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TRUSTEES' REPORT (CONTINUED)
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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.

All governors are members of the Governor Hub website which provides access to training, information, news letters and management accounts.

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 subcommittee and ratified by the Board of Trustees.

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TRUSTEES' REPORT (CONTINUED)
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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
- Educate Norfolk
- Lloyds Bank
- NSEL

The Trust does not have a formal sponsor.

Objectives and Activities

Objects and Aims

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

Objectives, Strategies and Activities

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

- Reviewing the curriculum and assessment processes in the school
- Continuing to enhance the facilities for the Sixth Form
- Introducing additional courses to enrich the curriculum to meet the needs of students by developing resources for A Level Politics, and GCSE Media and Construction
- Enhancement of the leadership skills of SLT and aspiring middle leaders
- Extending the enrichment package on offer to Sixth Form students
- Developing nurture provision for SEND students

Our success in fulfilling our aims can be measured by:

- Over subscribed for Year 7 applications for September 2018 and 2019
- Overall improvement in A level results, especially at the higher grades.
- 50% of FE students are attending Russell Group or top 1/3 universities.
- Positive picture in PE, English Lit, Photography and Psychology at KS 5

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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.

Progress in Maths is above national average at levels 4+ and 5+ and students are performing well in French, Engineering, Philosophy, Chemistry, Physics, Maths and Geography compared to the national average. (Validated data is not yet available.)

Improvements have been made in the progress of students with SEND.

A2 results have indicated an improvement at Taverham High School with 26% of subjects being 'red' subjects on Alps (26% 2018) and an increase in black subjects to 48% (33% in 2018). There are 9 subjects which have been black or red subjects in each of the last 3 years.

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. 50% of further education students are attending Russell Group or top 1/3 universities.

Key Progress indicators

Specific achievements were as follows:

- GCSE French, engineering and philosophy are at least half a grade better than the average across all SISRA schools (SPI).
- Geography, chemistry, maths and physics are all positive SPI
- Progress 8 scores for maths are positive (0.1)
- English literature results are in the red on Alps at A level for the third straight year.
- 22% of grades at A level were at A* or A

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 2018 were 1,194 compared to the previous year of 1,141.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2018/9 this was at 82.2% compared to 81.1% in 2017/18. The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures all approved by the Board.

The Audit, Finance and Buildings Committee also monitor premises costs vs General Annual Grant (GAG) income, capital spend for curriculum departments vs 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.

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Going Concern

Taverham High School is a PFI school and as such does not own buildings or land within fixed assets. As the Local Government Pension Scheme is reported under FRS102 with a pension fund deficit of £1,966,000 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 £200,787 (excluding the pension reserve) and unrestricted funds of £245,251 available at the year end. The 3-year school budget indicates that it will be able to continue in operation and service its obligations for the foreseeable future.

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 2019 the Trust received £6,150,811 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 £6,478,084 on expenditure. The Academy brought forward from 17/18 £207,624 of restricted funds (ignoring LGPS pension valuation) and £419,206 of unrestricted funding. The carry forward for 18/19 is £200,787 restricted funding and £245,251 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 £1,966,000. 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.

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 £245,251. 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 2019 was £446,038.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £875,725. 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.

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TRUSTEES' REPORT (CONTINUED)
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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 4 December 2018. 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 2019. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the 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;
- The Academy's reserves have been reducing year on year. The 3-year budget provides an awareness of likely problems. Monthly monitoring reports and Cashflows are provided to the chair of governors and members of the AFB Committee. A possible staff restructure will be required if no significant increase in funding going forward
- 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 School Governors' One-Stop Shop (SGOSS) who help to match available trustees to trustee needs.
- Student attendance. Changes have been made to Pastoral system to ensure attendance focus. New positions have been created for Behaviour and Attendance leads.

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- 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:

Strategic Objectives

1. Systematically move the school to Outstanding;

- a. Strategically drive strong and effective Leadership and Management at all levels of the organisation.
- b. Develop the Quality of Education based on innovative research and formal partnerships.

This will include the following:

- i) Developing the curriculum intent to provide all students with the knowledge and cultural capital they need to succeed.
 - ii) Use a range of robust CPD and innovative, tested strategies to improve the curriculum implementation and pedagogical practice to enable the curriculum intent to be delivered.
 - iii) Strive to achieve high quality curriculum impact demonstrated through the standards of work, Progress and destinations for all groups of students particularly the disadvantaged.
- c. Improve Attendance, Personal Development and Behaviour through inclusive and proactive practice.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

2. Position Taverham High School at the forefront of developments in education, influencing change, creating opportunities for staff and students and developing solutions to key challenges including funding;

- a. Through the network of leadership contacts proactively engage in new local and national developments in education seeking to shape, change and meet the needs of our students and stakeholders.
- b. Actively pursue financial opportunities to maximise the use of funding including through the PFI facilities, catering and other funding streams.

3. To establish Taverham Sixth Form as a centre of excellence in Norfolk;

- a. Develop a new identity and strong vision for the sixth form to promote standards and sustainability.
- b. To develop a creative curriculum through partnership that delivers breadth and high quality outcomes and standards.
- c. To create an innovative curriculum that generate high aspirations and resilient learners.

4. To develop a culture of positive health and wellbeing across the school and community to support students, families and staff.

- a. Develop the resilience and mental health and wellbeing of students to prepare them for life in modern Britain.
- b. To ensure high levels of support are available for the wellbeing of staff and ensure communication and workload is manageable and supports a positive ethos.
- c. To engage with a wide range of networks and professional organisations and groups to provide effective support for families in our community.

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.

Fundraising

The Academy Trust only held small fundraising events during the year including; several non uniform days to raise money for charities and RAG Fest took place for a week in February when £4,423 was raised for Guide Dogs for the Blind and £532 for Marie Curie. The only funds raised for the trust itself were through the sale of second hand uniform. The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Trade union

Taverham High School had no employees who were relevant union officials during the year. Trade union facilities time was outsourced to Norfolk County Council who were paid £3,556 for costs associated with the outsourcing of trade union activities in the year-ended 31 August 2019.

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TRUSTEES' REPORT (CONTINUED)
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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 11 December 2019 and signed on its behalf by:

Robert Linnell
Chair of Trustees

TAVERHAM HIGH SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 4 times during the year. The school is a single stand-alone academy. All trustees have access to management accounts every month which includes comprehensive details of any variances. Any questions are directed immediately to the chief financial officer who responds promptly.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Robert Linnell, Chair of Trustees	4	4
Nicola Samuels	0	0
David Bullard	3	3
Andre Korolus	1	2
Mary Wilson	1	3
Lauren Griffiths, Vice Chair	4	4
John Smith	1	3
Carol Dallas, Headteacher	4	4
June Sewell	3	4
Mark Carter	2	3
Steven Mitchell	3	4
Ian Duckett	2	3
Dale Timbers	2	4
Joanna Ellis	3	4
Markella Papageorgiou	2	3

Review of year:

Two of the original members resigned during the year, both were replaced by experienced governors. The Governors had to update their knowledge and understanding and embrace the requirements of the new Ofsted Framework to ensure that they could fully support and challenge the school leadership in the ongoing school improvements.

Attendance at board meetings improved during the year and quality of information provided by the school to school governors continues to improve.

As a result of the skills audit targeted training for governors was undertaken and this has created the ability to challenge data and school outcomes.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance reviews:

As a result of last year's review the governors have decided to reconstitute the governing body to improve their effectiveness. They are awaiting the Secretary of State's approval. A further review was planned for October 2019.

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 school are effectively reviewed and monitored and the annual financial statements give a true and fair view of the financial activities of the school.

It also ensures that the audit function provides assurance to the external auditors with reference to the guidance in the Academy's Financial Handbook and it reviews the building function.

During the year the Chair of the Audit and Finance Committee (who was also one of the original members) resigned.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Andre Korolus	2	2
Mark Carter	2	2
Robert Linnell	3	4
Carol Dallas	4	4
Dale Timbers	4	4
Steven Mitchell	4	4

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 through the following activities:

- A full catering tender exercise was undertaken during the year to ensure that a high quality and effective catering service was provided for students from September 2019. As a result, a decision was made that taking the catering inhouse would provide the best balance between quality food provision and cost.
- A review of supply agency contracts was undertaken against the Crown Commercial Service Agreement. It was established that the current contract daily rates paid are between £21 and £50 less than the Crown Commercial Service agreement rates.
- As a result of a rigorous absence management process a settlement agreement was made with a member of staff. This allowed for the recruitment of a new teacher ensuring that students received consistent high-quality teaching from one member of staff.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going 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 2018 to 31 August 2019 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 2018 to 31 August 2019 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 to appoint Educator Solutions as internal auditor.

The internal auditor'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:

- Reducing Financial Risk
- Management Reports
- Asset Management
- Payroll
- Income and Expenditure
- Credit Cards
- Accounting System

The internal auditor reported to the board of Trustees twice in the financial year through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of the internal auditor's work.

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GOVERNANCE STATEMENT (CONTINUED)

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 internal auditor;
- 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 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 11 December 2019 and signed on their behalf by:

Robert Linnell
Chair of Trustees

Carol Dallas
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Taverham High School I have considered my responsibility to notify the academy trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2018.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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: 11 December 2019

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who 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 Academies Accounts Direction published by the Education & 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 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 11 December 2019 and signed on its behalf by:

Robert Linnell

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 2019 which comprise the Statement of Financial Activities, 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 2018 to 2019 issued by the Education & Skills Funding Agency.

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 2019 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 2018 to 2019 issued by the Education & 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 United Kingdom, including the Financial Reporting Council'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 (CONTINUED)**

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. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have 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 Trustees' Report including the Strategic 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

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. This description forms part of our Auditors' Report.

Use of our report

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.

John Warren BSc FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP, reporting accountant

Chartered Accountants

Statutory Auditors

Anglia House, 6 Central Avenue

St Andrews Business Park

Thorpe St Andrew

Norwich

Norfolk

NR7 0HR

17 December 2019

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TAVERHAM HIGH SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 20 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by 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 ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TAVERHAM
HIGH SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has 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

Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

Date: 17 December 2019

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	4	-	145,132	84,692	229,824	181,189
Charitable activities	5	-	5,893,907	-	5,893,907	5,795,415
Other trading activities	6	24,613	-	-	24,613	25,949
Investments	7	2,467	-	-	2,467	1,569
Total income		<u>27,080</u>	<u>6,039,039</u>	<u>84,692</u>	<u>6,150,811</u>	<u>6,004,122</u>
Expenditure on:						
Charitable activities	8	201,035	6,206,876	70,173	6,478,084	6,267,620
Total expenditure		<u>201,035</u>	<u>6,206,876</u>	<u>70,173</u>	<u>6,478,084</u>	<u>6,267,620</u>
Net movement in funds before other recognised gains/(losses)		<u>(173,955)</u>	<u>(167,837)</u>	<u>14,519</u>	<u>(327,273)</u>	<u>(263,498)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(694,000)	-	(694,000)	446,000
Net movement in funds		<u>(173,955)</u>	<u>(861,837)</u>	<u>14,519</u>	<u>(1,021,273)</u>	<u>182,502</u>
Reconciliation of funds:						
Total funds brought forward		419,206	(903,376)	316,850	(167,320)	(349,822)
Net movement in funds		(173,955)	(861,837)	14,519	(1,021,273)	182,502
Total funds carried forward		<u>245,251</u>	<u>(1,765,213)</u>	<u>331,369</u>	<u>(1,188,593)</u>	<u>(167,320)</u>

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

The notes on pages 27 to 50 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note		2019 £		2018 £
Fixed assets					
Tangible assets	14		283,519		308,190
			283,519		308,190
Current assets					
Debtors	15	148,645	138,697		
Cash at bank and in hand		875,725	1,124,961		
		1,024,370	1,263,658		
Creditors: amounts falling due within one year	16	(530,482)	(628,168)		
Net current assets			493,888		635,490
Total assets less current liabilities			777,407		943,680
Net assets excluding pension liability			777,407		943,680
Defined benefit pension scheme liability	23		(1,966,000)		(1,111,000)
Total net assets			(1,188,593)		(167,320)
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	18	331,369	316,850		
Restricted income funds	18	200,787	207,624		
		532,156	524,474		
Restricted funds excluding pension asset	18	532,156	524,474		
Pension reserve	18	(1,966,000)	(1,111,000)		
Total restricted funds	18		(1,433,844)		(586,526)
Unrestricted income funds	18		245,251		419,206
Total funds			(1,188,593)		(167,320)

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 23 to 50 were approved by the Trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:

Robert Linnell
Chair of Trustees
Date: 11 December 2019

The notes on pages 27 to 50 form part of these financial statements.

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(290,892)	16,984
Cash flows from investing activities	21	41,656	(25,612)
Change in cash and cash equivalents in the year		(249,236)	(8,628)
Cash and cash equivalents at the beginning of the year		1,124,961	1,133,589
Cash and cash equivalents at the end of the year	22	<u>875,725</u>	<u>1,124,961</u>

The notes on pages 27 to 50 form part of these financial statements

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. General information

Taverham High School is a private company limited by guarantee, incorporated in England and Wales. The registered address of the trust is Beech Avenue, Norwich, Norfolk, NR8 6HP.

These financial statements are presented in pounds sterling and rounded to the nearest £.

2. 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.

2.1 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 historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Taverham High School meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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 £1,188,593 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 £1,966,000. The trustees have considered the rates of contributions agreed with the pension schemes and have concluded that adequate resources will be available to meet these. They have therefore concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy trust has provided the goods or services.

2.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.6 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets 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 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. 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Equipment	-	10.00%
Furniture and fixtures	-	10.00%
Computer equipment	-	33.33%
Motor vehicles	-	20.00%

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.

2.7 Debtors

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

2.8 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.

2.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.10 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 bases 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 15. 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 cost as detailed in note 16. 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 instrument.

2.11 Operating leases

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

2.12 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 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.

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.13 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.

2.14 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 27.

2.15 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 funders 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/donor and include grants from the Department for Education Group.

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

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2019. 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.

There are no judgements that have been applied in the preparation of these financial statements.

4. Income from donations and capital grants

	Restricted and Restricted Asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	145,132	145,132	157,012
Capital Grants	84,692	84,692	24,177
	<u>229,824</u>	<u>229,824</u>	<u>181,189</u>

In 2018, income from donations was £15,012 were in relation to restricted funds.

In 2018, capital grants of £24,177 were in relation to restricted fixed assets.

TAVERHAM HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. Funding for the academy trust's provision of education

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	5,126,579	5,126,579	5,100,149
Other DfE/ESFA grants	221,485	221,485	148,870
	<u>5,348,064</u>	<u>5,348,064</u>	<u>5,249,019</u>
Other government grants			
Local authority grants	226,268	226,268	275,660
Other government grants	49,915	49,915	56,092
	<u>276,183</u>	<u>276,183</u>	<u>331,752</u>
Other income from the academy trust's educational operations			
Income from other schools	221,952	221,952	190,298
Other income from educational operations	47,708	47,708	24,346
	<u>5,893,907</u>	<u>5,893,907</u>	<u>5,795,415</u>

In 2018, income from DE/ELSA grants was £5,100,149 which all was restricted.

In 2018, income from other government grants was £331,752 of which all was restricted.

In 2018, other income from academy trust's operations amounted to £214,644 of which all was restricted.

6. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Rental income	683	683	600
Music lessons	12,380	12,380	18,492
Sale of educational supplies	11,550	11,550	-
Other income	-	-	6,857
	<u>24,613</u>	<u>24,613</u>	<u>25,949</u>

In 2018, all income from other trading activities was unrestricted.

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FOR THE YEAR ENDED 31 AUGUST 2019

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	2,467	2,467	1,569

In 2018, all investment income was in relation to unrestricted funds.

8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of Education:					
Direct costs	4,337,359	-	485,103	4,822,462	4,671,209
Allocated support costs	697,717	666,967	290,938	1,655,622	1,596,411
	<u>5,035,076</u>	<u>666,967</u>	<u>776,041</u>	<u>6,478,084</u>	<u>6,267,620</u>
Total 2018	<u>4,832,668</u>	<u>729,260</u>	<u>705,692</u>	<u>6,267,620</u>	

In 2018, direct expenditure consisted of £4,180,952 staff costs and £490,257 other costs.

In 2018, support expenditure consisted of £651,716 staff costs, £729,260 premises costs and £215,435 other costs.

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9. Charitable Activities

	2019 £	2018 £
Direct costs - educational operations	4,822,462	4,671,209
Support costs - educational operations	1,655,622	1,596,411
	6,478,084	6,267,620

Analysis of support costs

	2019 £	2018 £
Support staff costs	697,717	651,716
Depreciation	70,173	71,292
Technology costs	38,058	33,081
Premises costs	666,967	657,968
Other support costs	171,837	172,999
Governance costs	10,870	9,355
	1,655,622	1,596,411

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019 £	2018 £
Operating lease rentals	12,581	10,585
PFI costs in year	563,724	542,182
Depreciation of tangible fixed assets	63,669	71,292
Loss on disposal of fixed assets	6,505	-
Fees paid to auditors for:		
- audit	6,135	5,845
- other services	4,895	4,390
	6,505	-

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,735,889	3,659,516
Social security costs	359,531	354,415
Pension costs	755,035	777,402
	<u>4,850,455</u>	<u>4,791,333</u>
Agency staff costs	156,050	41,335
Staff restructuring costs	28,571	-
	<u>5,035,076</u>	<u>4,832,668</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	28,571	14,689
Severance payments	-	12,810
	<u>28,571</u>	<u>27,499</u>

b. Non-statutory/non-contractual staff redundancy payments

Included in staff restructuring costs in the year are two non-statutory/non-contractual redundancy payments totalling £19,138 (2018: £Nil). The individual amounts were £9,161 and £9,977.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	75	78
Administration and support	57	61
Management	7	6
	<u>139</u>	<u>145</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Staff costs (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	4	2
In the band £90,001 - £100,000	1	1
	1	1

e. Key management personnel

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 received by key management personnel for their services to the academy trust was £628,147 (2018 - £540,267).

Included in the above are employer pension contributions of £82,899 (2018 - £70,958).

Included in the above are employer national insurance contributions of £57,443 (2018 - £49,891).

12. 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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Dale Timbers	Remuneration	45,000 -	40,000 -
		50,000	45,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
Carol Dallas, Headteacher	Remuneration	95,000 -	90,000 -
		100,000	95,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000

During the year ended 31 August 2019, expenses totalling £2,075 were reimbursed or paid directly to 4 Trustees (2018 - £1,267 to 5 Trustees).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £16,059.46 (2018 - £22,840). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

14. Tangible fixed assets

	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	219,379	278,515	337,913	6,600	842,407
Additions	25,711	2,880	16,912	-	45,503
Disposals	-	(13,388)	(10,382)	-	(23,770)
At 31 August 2019	<u>245,090</u>	<u>268,007</u>	<u>344,443</u>	<u>6,600</u>	<u>864,140</u>
Depreciation					
At 1 September 2018	98,562	140,658	289,057	5,940	534,217
Charge for the year	22,700	27,422	13,547	-	63,669
On disposals	(9,344)	(7,921)	-	-	(17,265)
At 31 August 2019	<u>111,918</u>	<u>160,159</u>	<u>302,604</u>	<u>5,940</u>	<u>580,621</u>
Net book value					
At 31 August 2019	<u><u>133,172</u></u>	<u><u>107,848</u></u>	<u><u>41,839</u></u>	<u><u>660</u></u>	<u><u>283,519</u></u>
At 31 August 2018	<u><u>120,817</u></u>	<u><u>137,857</u></u>	<u><u>48,856</u></u>	<u><u>660</u></u>	<u><u>308,190</u></u>

15. Debtors

	2019 £	2018 £
Due after more than one year		
Prepayments and accrued income	11,717	8,638
	<u>11,717</u>	<u>8,638</u>
Due within one year		
Trade debtors	6,188	6,045
VAT recoverable	54,116	34,264
Prepayments and accrued income	76,624	89,750
	<u>148,645</u>	<u>138,697</u>

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16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	91,133	160,844
Other taxation and social security	89,446	90,692
Other creditors	182,209	180,546
Accruals and deferred income	167,694	196,086
	530,482	628,168
	530,482	628,168
	2019 £	2018 £
Deferred income at 1 September 2018	87,663	82,441
Resources deferred during the year	98,549	87,663
Amounts released from previous periods	(87,663)	(82,441)
	98,549	87,663
	98,549	87,663

Deferred income relates to rates relief income which has been deferred to 2019-20, as well as some grant and trip income which does not relate to 2018-19.

17. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	-	-
Financial assets that are debt instruments measured at amortised cost	916,594	1,170,394
	916,594	1,170,394
	916,594	1,170,394
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	342,492	449,813
	342,492	449,813
	342,492	449,813

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	419,206	27,080	(201,035)	-	-	245,251
Restricted general funds						
General Annual Grant	-	5,126,579	(5,126,579)	-	-	-
Other DfE/ESFA grants	-	221,485	(221,485)	-	-	-
School Games Organiser	91,829	198,943	(191,171)	-	-	99,601
Dyslexia Outreach Service	99,593	196,368	(216,301)	-	-	79,660
Other government grants	-	100,074	(100,074)	-	-	-
Other restricted funds	5,400	50,458	(50,458)	-	-	5,400
Educational visits	10,802	145,132	(139,808)	-	-	16,126
Pension reserve	(1,111,000)	-	(161,000)	-	(694,000)	(1,966,000)
	<u>(903,376)</u>	<u>6,039,039</u>	<u>(6,206,876)</u>	<u>-</u>	<u>(694,000)</u>	<u>(1,765,213)</u>
Restricted fixed asset funds						
General restricted fixed asset	285,996	-	(66,942)	45,502	-	264,556
Capital expenditure from GAG	22,194	-	(3,231)	-	-	18,963
DfE/ESFA capital grants	8,660	84,692	-	(45,502)	-	47,850
	<u>316,850</u>	<u>84,692</u>	<u>(70,173)</u>	<u>-</u>	<u>-</u>	<u>331,369</u>
Total Restricted funds	<u>(586,526)</u>	<u>6,123,731</u>	<u>(6,277,049)</u>	<u>-</u>	<u>(694,000)</u>	<u>(1,433,844)</u>
Total funds	<u><u>(167,320)</u></u>	<u><u>6,150,811</u></u>	<u><u>(6,478,084)</u></u>	<u><u>-</u></u>	<u><u>(694,000)</u></u>	<u><u>(1,188,593)</u></u>

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18. 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 2019.

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.

School Games Organiser

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

Dyslexia Outreach Service

This represents practical support to schools with regard to their provision for dyslexic learners. It is part-funded by Norfolk County to provide an accessible and affordable traded service to all schools, including academies, free schools and independent schools.

Other government grants

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

Other Restricted

This represents funding received from other bodies towards a specific purpose, including funding towards exams and other miscellaneous activities.

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.

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 23 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.

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18. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	510,698	27,518	(117,829)	(1,181)	-	419,206
General Annual Grant	-	5,100,149	(5,085,900)	(14,249)	-	-
Other DfE/ESFA grants	-	148,870	(148,870)	-	-	-
School Games Organiser	78,116	190,421	(177,889)	1,181	-	91,829
Dyslexia Outreach Service	52,337	233,989	(186,733)	-	-	99,593
Other government grants	-	84,300	(84,300)	-	-	-
Other restricted funds	5,400	37,686	(37,686)	-	-	5,400
Educational visits	10,911	157,012	(157,121)	-	-	10,802
Pension reserve	(1,357,000)	-	(200,000)	-	446,000	(1,111,000)
	<u>(1,210,236)</u>	<u>5,952,427</u>	<u>(6,078,499)</u>	<u>(13,068)</u>	<u>446,000</u>	<u>(903,376)</u>
Restricted fixed asset funds						
General restricted fixed asset	314,092	-	(65,205)	37,109	-	285,996
Capital expenditure from GAG	14,032	-	(6,087)	14,249	-	22,194
DfE/ESFA capital grants	21,592	24,177	-	(37,109)	-	8,660
	<u>349,716</u>	<u>24,177</u>	<u>(71,292)</u>	<u>14,249</u>	<u>-</u>	<u>316,850</u>
Total Restricted funds	<u>(860,520)</u>	<u>5,976,604</u>	<u>(6,149,791)</u>	<u>1,181</u>	<u>446,000</u>	<u>(586,526)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Total funds	(349,822)	6,004,122	(6,267,620)	-	446,000	(167,320)

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	283,519	283,519
Debtors due after more than one year	-	11,717	-	11,717
Current assets	245,251	719,552	47,850	1,012,653
Creditors due within one year	-	(530,482)	-	(530,482)
Provisions for liabilities and charges	-	(1,966,000)	-	(1,966,000)
Total	245,251	(1,765,213)	331,369	(1,188,593)

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	308,190	308,190
Debtors due after more than one year	-	8,638	-	8,638
Current assets	419,206	827,154	8,660	1,255,020
Creditors due within one year	-	(628,168)	-	(628,168)
Provisions for liabilities and charges	-	(1,111,000)	-	(1,111,000)
Total	419,206	(903,376)	316,850	(167,320)

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20. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(327,273)	(263,498)
Adjustments for:		
Depreciation	63,669	71,292
Capital grants from DfE and other capital income	(84,692)	(24,177)
Defined benefit pension scheme cost less contributions payable	161,000	200,000
(Increase)/decrease in debtors	(9,948)	16,890
(Decrease)/increase in creditors	(97,686)	18,046
Dividends, interest and rents from investments	(2,467)	(1,569)
Loss on disposals	6,505	-
Net cash (used in)/provided by operating activities	(290,892)	16,984

21. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	2,467	1,569
Purchase of tangible fixed assets	(45,503)	(51,358)
Capital grants from DfE Group	84,692	24,177
Net cash provided by/(used in) investing activities	41,656	(25,612)

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	875,725	1,124,961
Total cash and cash equivalents	875,725	1,124,961

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

Contributions amounting to £79,637 were payable to the schemes at 31 August 2019 (2018 - £79,190) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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)
- 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%.

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23. Pension commitments (continued)

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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £457,124 (2018 - £471,028).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £208,911 (2018 - £186,374), of which employer's contributions totalled £160,911 (2018 - £142,374) and employees' contributions totalled £ 48,000 (2018 - £44,000). The agreed contribution rates for future years are 21.3 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.60	2.60
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.90	2.80
Commutation of pensions to lump sums	50.00	50.00
	<u>50.00</u>	<u>50.00</u>

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.4	24.1
Females	25	26.4
	<u>25</u>	<u>26.4</u>

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23. Pension commitments (continued)

As at the 31 August 2019 the Trust had a pension liability of £1,966,000 (2018 - £1,111,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined obligation in the following way;

Sensitivity analysis

	2019	2018
Discount rate +0.1%	(127,764)	(95,116)
Discount rate -0.1%	127,764	95,116
Mortality assumption - 1 year increase	36,504	27,176
Mortality assumption - 1 year decrease	(36,504)	(27,176)
CPI rate +0.1%	100,386	74,734
CPI rate -0.1%	(100,386)	(74,734)
	<u> </u>	<u> </u>

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,272,000	1,166,000
Bonds	935,000	777,000
Property	312,000	274,000
Cash	78,000	69,000
	<u> </u>	<u> </u>
Total market value of assets	<u>2,597,000</u>	<u>2,286,000</u>

The actual return on scheme assets was £67,000 (2018 - £128,000).

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

	2019 £	2018 £
Current service cost	(280,000)	(311,000)
Past service cost	(14,000)	-
Interest income	67,000	52,000
Interest cost	(99,000)	(88,000)
	<u> </u>	<u> </u>
Total amount recognised in the Statement of Financial Activities	<u>(326,000)</u>	<u>(347,000)</u>

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23. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
At 1 September	3,397,000	3,355,000
Past service cost	14,000	-
Current service cost	280,000	311,000
Interest cost	99,000	88,000
Employee contributions	48,000	44,000
Actuarial losses/(gains)	755,000	(370,000)
Benefits paid	(30,000)	(31,000)
At 31 August	<u>4,563,000</u>	<u>3,397,000</u>

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	2,286,000	1,998,000
Interest income	67,000	52,000
Actuarial gains	61,000	76,000
Employer contributions	165,000	147,000
Employee contributions	48,000	44,000
Benefits paid	(30,000)	(31,000)
At 31 August	<u>2,597,000</u>	<u>2,286,000</u>

24. Operating lease commitments

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Amounts payable for other leases		
Within 1 year	12,408	12,581
Between 1 and 5 years	15,903	28,311
	<u>28,311</u>	<u>40,892</u>

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	2019 £	2018 £
Amounts payable for land and buildings		
Within 1 year	599,713	563,719
Between 1 and 5 years	2,398,851	2,254,874
After more than 5 years	4,747,727	5,026,491
	<u>7,746,291</u>	<u>7,845,084</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 purpose of disclosure, the cost in August 2019 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.

25. 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.

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26. Related party transactions

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

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 is also the Company Secretary of Taverham High School as well as a member of the Senior Management team, thus was a member of key management personnel during the period.

The trust was charged rental costs by Taverham Recreational Facilities Limited for the use of the facilities within the pavilion of £14,000 (2018 - £19,000). Furthermore, income was received from Taverham Recreational Facilities Limited during the year of £738 (2018 - £979). There is no amount due to or from the related party at the year end (2018 - £Nil). The rental charge was at arm's length following an agreement entered into prior to the school's conversion to an academy trust, which Melanie Egleton neither participated in nor influenced. The element above £2,500 has been provided 'at no more than cost' and Taverham Recreational Facilities Limited have provided a statement confirming this.

The trust also received income totalling £13,793 (2018 - £9,538) and incurred expenditure totalling £185 (2018 - £Nil) from the Wensum Trust, of which John Smith, a trustee and member of Taverham High School who resigned during the year, is also the Chair of Trustees. 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 (2018 - £Nil).

Educate Norfolk is a related party due to Carol Dallas being co-chair. During the year Carol Dallas and two other members of Taverham High School worked for Educate Norfolk. As a result the trust received income totalling £36,669 (2018: £36,221) from Educate Norfolk to cover the salary costs. The trust also paid out for expenditure totalling £14,510 (2018: £17,290) on behalf of Educate Norfolk during the year, this was fully repaid by Educate Norfolk in the year, and the substance of the transaction was a recharge only, with no impact on Taverham High School's financial statements. There is no amount due to or from the related party at the year end (2018 - £Nil).

In entering into the above transactions, the trust has complied with the requirements of the Academies Financial Handbook 2018.

27. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019, the trust received £43,915 (2018 - £40,315) and disbursed £40,525 (2018 - £40,592) from the fund. In addition, the trust made an administration charge of £2,196 (2018 - £2,016) for administering these funds. An amount of £102,449 (2018 - £101,248) is included in other creditors relating to undistributed funds that is repayable to ESFA.

