
TALL OAKS ACADEMY TRUST LTD

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 17
Statement on regularity, propriety and compliance	18
Statement of Trustees' responsibilities	19
Independent auditor's report on the financial statements	20 - 23
Independent reporting accountant's report on regularity	24 - 25
Statement of financial activities incorporating income and expenditure account	26 - 27
Balance sheet	28 - 29
Statement of cash flows	30
Notes to the financial statements	31 - 56

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	V-L Clarke G Garfoot S Bond S Walker (appointed 5 October 2019)
Trustees	S Walker, Interim Chair of Trustees (appointed 5 September 2019) C Jackson, Interim Chair of Trustees (resigned 1 July 2019) R Ashmore (resigned 1 July 2019) B Roberts A Leng C Kirk H Wells (appointed 18 October 2018) L Wallhead (appointed 17 October 2019) Dr J Wainwright (appointed 17 October 2019) S Wilson, Executive Headteacher and Accounting Officer
Company registered number	08395421
Company name	Tall Oaks Academy Trust
Principal and registered office	White's Wood Academy Whites Wood Lane Gainsborough Lincolnshire DN21 1TJ
Company Secretary	Langleys Solicitors
Executive Leadership team	S Wilson, Executive Headteacher and Accounting Officer S Walker, Trust Business Manager (until 26 June 2019) C Fitzpatrick, Head of School (White's Wood Academy) A Willis, Inclusion Leader/SENDCo G Brown, Head of School (Castle Wood Academy) K Ola, Head of School (Mercer's Wood Academy) S Keen, Trust Business Manager (from 27 June 2019) V Warburton, Trust Head of Teaching and Learning

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

Independent auditor Streets Audit LLP
Chartered Accountants & Statutory Auditor
Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW

Bankers Lloyds Bank plc
202 High Street
Lincoln
Lincolnshire
LN5 7AP

Solicitors Langleys Solicitors
Olympic House
995 Doddington Road
Lincoln
LN6 3SE

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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 the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

Tall Oaks Academy Trust operates 3 primary academies within Gainsborough, Lincolnshire. Its academies have a combined pupil capacity of 690 and a roll of 580 in the school census in January 2019.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Tall Oaks Academy Trust Ltd are also the directors of the charitable company for the purposes of company law. The charitable company is known as Tall Oaks Academy Trust.

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

Members' Liability

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

Trustees' Indemnities

The Academy Trust has granted an indemnity to one or more of its Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision has a limit of £5,000,000.

Method of Recruitment and Appointment or Election of Trustees

Trustees are selected for specialist knowledge and proven capability to cover the full spectrum of needs of an educational establishment, which is a Charitable Company.

The recruitment and appointment or election to the Trust is the responsibility of Trustees through election by post.

Policies and Procedures Adopted for the Induction and Training of Trustees

Induction is carried out in the first instance by the Chair of Trustees through informal and formal interviews alongside the Accounting Officer, Trust Business Manager and senior members of the Trust team to provide new Trustees with a clear and transparent understanding of the workings of the Trust and their responsibilities.

All Trustees undertake initial and continued training to develop skills and expertise in all areas of induction through a Governance Training and Development programme delivered by the Trust and outside agencies engaged by the Trust (Lincs CC conferences and support commissioned for the Trust by an NLG (National Leader of Governance)).

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

Organisational Structure

The Trustees normally meet up to five times per academic year to consider the Executive Headteacher's Report/KPIs (Key Performance Indicators), Accounting Officer's Report, Attendance, Exclusions and Racial Incidents, Inclusion, review Trust Policies and to monitor Standards.

The Trustees have devolved certain of its activities to sub-committees for the day to day control of some of the Academy Trust's operations, details of which are listed below:

- Performance Management Committee. The Committee's purpose is to meet with the Trust's External Adviser to review the Executive Headteacher's performance targets for the previous year and to agree and set new targets annually and to monitor such targets throughout the academic year.
- Pupil Discipline Committee. The Committee's purpose is to consider the exclusion of pupils across the Trust in the event of an appeal or permanent exclusion.

In addition, Local Governing Bodies (LGBs) are in place at all Trust sites. LGBs are responsible for monitoring Attendance and Behaviour, Standards and Outcomes, Teaching and Learning and Admissions.

The role of the Executive Headteacher is to "shape and improve the educational provision" across the Trust through raising pupil attainment, leading and motivating others and to manage the organisational and educational change necessary to achieve and sustain success. To achieve this, the Executive Headteacher is supported by Heads of School at White's Wood Academy, Castle Wood Academy and Mercer's Wood Academy, the Head of Inclusion, the Head of Teaching and Learning and Trust Business Manager.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Senior leaders' pay and remuneration is determined on the following:

- Pupil numbers on roll and individual school group;
- Key responsibilities and accountability, monitored through key performance indicators and impact on pupil outcomes. Pay progression where appropriate is reliant on successful achievement of these KPIs;
- Individual schools' needs and challenges;
- Skills, experiences and expertise of individual leaders.

Trade Union Facility Time

During the year the Academy Trust had no employees who were trade union officials.

Related Parties and other Connected Charities and Organisations

The Trustees are not aware of any connected or related party that would require disclosure.

Objectives and Activities

Objects and Aims

The principal activity of the Academy Trust, as set out in its Articles of Association and Funding Agreement with the Secretary of State is the operation of Tall Oaks Academy Trust, which is a Trust comprising Castle Wood Academy, Mercer's Wood Academy and White's Wood Academy to provide education for pupils of different abilities between the ages of 4 years and 11 years.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

Objectives, Strategies and Activities

The main objectives of the Trust during the year ended 31 August 2019 are summarised below:

Teaching, Learning and Assessment

Castle Wood Academy

- a) To improve outcomes in writing, particularly the technical aspects of writing (grammar, punctuation, spelling and handwriting);
- b) To ensure children get a greater range of opportunities for children to learn and apply reasoning in maths;
- c) To develop greater challenge for children, particularly the more able;
- d) To improve questioning and modelling (provide further CPD for teachers to develop their use of this);
- e) Develop use of ICT and technology to improve the impact of assessment for learning and assessment of learning. Particularly how we use technology to support the effective use of feedback to promote positive outcomes and accelerated progress for children.

Mercer's Wood Academy

- a) To improve mathematics outcomes through teaching and learning across the school;
- b) To improve reading outcomes through teaching and learning across the school;
- c) To develop accuracy and impact of assessment in core subjects including Phonics;
- d) To improve the tracking of children from EYFS to Y6.

White's Wood Academy

- a) Increase the % of 'good' teaching and learning;
- b) Increase the standard of the teaching & learning in reading;
- c) Improve the standard of teaching reasoning to improve outcomes in maths;
- d) Ensure accuracy of teacher assessments.

Leadership and Management

Castle Wood Academy

- a) To develop a programme of CPD to support Middle Leaders at CWA and across the trust, which supports the impact of subject leadership across the school with particular reference to English (Reading and Spelling), Maths and Science;
- b) To develop the impact of the newly appointed AHOS (Assistant Head of School) to impact on teaching, learning and pupil outcomes;
- c) To develop the experience and expertise of the newly appointed HOS (Head of School);
- d) Develop a programme of support / CPD for Governors to enable them to challenge SLT more robustly and with confidence.

Mercer's Wood Academy

- a) To develop the impact and expertise of middle leadership across the school;
- b) To develop the impact of the newly appointed AHOS (Assistant Head of School) to impact on teaching, learning and pupil outcomes;
- c) To develop the experience and expertise of the HOS (Head of School);
- d) To develop the skills and role of the local governing body.

White's Wood Academy

- a) Continue to strengthen school-based leadership team to improve outcomes;
- b) To increase Middle Leadership accountability;
- c) AHOS Teaching & Learning role to improve teaching & learning;
- d) AHOS Behaviour & Welfare role to improve personal development, behaviour & welfare;
- e) To increase Governor involvement & impact.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

Personal Development, Behaviour and Welfare

Castle Wood Academy

- a) To bring persistent absenteeism figures below the national average;
- b) Develop a more overt programme of work on E-safety for children as a part of our existing broad curriculum. This programme should also target all stakeholders, particularly parents and support them to protect their children at home, as well as prepare children for their next stage of education and life.

Mercer's Wood Academy

- a) To increase attendance to at least 96%;
- b) To reduce the percentage of persistent absenteeism to be more in line with the national average;
- c) Behaviour across the school reflects the values in the new curriculum.

White's Wood Academy

- a) Improve whole-school attendance;
- b) Reduce persistent absenteeism so that this is in line with national figures.

EYFS (Castle Wood and Mercer's Wood only)

Castle Wood Academy

- a) To continue to develop more free flow indoor and outdoor provision;
- b) To maintain above National points score and GLD through continued internal and external moderation and evaluation throughout the year;
- c) To develop the role of EYFS Teaching Assistants and NQT teacher with regards to quality questioning and development of children's learning.

Mercer's Wood Academy

- a) Improve assessment and recording by implementing Tapestry;
- b) To improve attainment of boys in EYFS.

The strategies for achieving these objectives were to use a rigorous cycle of monitoring, evaluation and review to identify key areas as well as using evidence of statutory assessment outcomes and internal data. Staff CPD and support was also an essential element in achieving them.

Public Benefit

The Trustees have reviewed the objectives and activities of the Trust as detailed above and are satisfied that they are for the public benefit as detailed in the Charity Commission guidance note on this subject.

Strategic Report

Going Concern

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

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

Financial Review

The majority of the Trust's income is obtained from the ESFA (Education and Skills Funding Agency) in the form of the General Annual Grant, the use of which is restricted to particular purposes. The grants received from the ESFA during the period reported on and the associated expenditure are shown as restricted funds in the statement of financial activities.

This year the Trust has made further investments in leadership across all sites. All schools now have the structure of one Head of School and one/two Assistant Heads of School depending on size and projections of numbers on roll in the future. Each Assistant Head of School has a clear remit in supporting the School Development Priorities of teaching, learning and assessment and personal development behaviour and welfare. Supporting our most vulnerable children in attending school and removing barriers to learning is a top priority and so investments have been made in administration support for the Inclusion team. For the new academic year the Trust has invested in a Trust Head of Teaching and Learning to further support provision for all pupils and make more rapid improvements across all 3 sites.

The Trust continues to invest in succession planning for the future by investing in high quality specialists. The Trust remains committed to working with and supporting other schools also.

It should be noted that, whilst the pension funds according to the balance sheet are in deficit, the extent of the deficit is exceeded by other restricted funds and although the Trustees have agreed to make provision against the possible crystallisation of the liability, the Secretary of State in July 2013 guaranteed that in the event of an academy closure, outstanding government pension scheme liabilities would be met by the DfE.

Reserves Policy

The Trustees have given careful consideration to the level of reserves held by the Academy Trust. The Academy Trust seeks to maintain its commitment to delivering high quality education at the best value for money within the funding available from the ESFA and other sources.

The budget for 2019-20 was discussed and approved by the Chair of Trustees in July 2019 and at a further meeting of the Board of Trustees on 5th September 2019.

The amount of total funds at 31 August 2019 was £5,248,000 (2018: £5,690,000), of which £6,161,000 (2018: £6,232,000) can only be realised by disposing of tangible fixed assets. The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2019 is a net surplus of £279,000 (2018: £92,000).

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. They are committed to maintaining a reserve which is at least sufficient to allow the Trust to cope with any projected deficits for the next two financial years if possible, whilst in a way which is consistent with the Trust being run to meet all aspects of this service. The Trustees are also mindful of the potential financial uncertainty and turbulence which could result from the Government's introduction of a National Funding Formula, which is now planned for 2019/20 and is being rolled out currently.

Investment Policy

Should the level of free cash reserves held by the Academy Trust exceed that which is necessary to service its ongoing working capital needs the Trustees, with reference to the short and longer-term forecasts will consider investment of any excess funds over an appropriate period to maximise the return of any such surplus funds whilst ensuring that risk is avoided insofar as is possible.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

Principal Risks and Uncertainties

The Trustees continue to monitor the risk and uncertainties within the Academy Trust and have maintained the Risk Register.

The most significant risks identified at the current time are:

- That the Trust will be required to join a larger Trust in order to operate in the future both financially and in terms of school improvement capacity;
- Failure to understand the current performance and the ongoing improvement needed at all schools within the Trust;
- Failure to ensure that the Governors/Trustees possess the skills and experience to hold the Executive Team to account;
- Introduction of the National Funding Formula;
- Two of the school sites have buildings of considerable age and wear. Works to get each site up to an acceptable standard could incur high costs;
- Pupil numbers have not necessarily matched those predictions from the local authority. These will affect finance going forward if they remain low and schools are operating below PAN;
- Change of government and any subsequent changes to national education policies.

Fundraising

The Trust does not undertake any fundraising other than the receipt of contributions towards educational activities from the PTA. All fundraising events conform to recognised standards.

Plans for Future Periods

From detailed data analysis of all 3 sites across the Trust, as well as monitoring and evaluation the following key objectives have been set for the academic period 2019-20:

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

Castle Wood Academy

Improvement Areas	
1. Quality of Education	<ul style="list-style-type: none"> • The attainment of Pupil Premium children is in line with All children • Early Interventions diminish the difference. Where gaps in attainment are identified, interventions are put in place quickly and are monitored for effectiveness regularly. • Raise the profile of Reading across the school, and ensure all children can read by the time they leave Year 2 • Improve challenge for more able, especially in maths and ensure this is evident in books • Reasoning in maths is in line with fluency • To ensure all learning is adventurous
2. Behaviour and Attitudes	<ul style="list-style-type: none"> • Learning behaviours / meta-cognition - children to understand growth mindset and what is a good learner
3. Personal Development	<ul style="list-style-type: none"> • To enhance the voice of the children and promote inclusion by enabling children to become more aware of national and global issues, and to be able to discuss these in an informed and considered manner.
4. Leadership and Management	<ul style="list-style-type: none"> • To develop all subject leaders to ensure they can effectively raise the standards of teaching, learning and assessment in their subject areas • To ensure all Senior Leaders support staff to embed a distributed leadership model which supports our new Curriculum • All TAs to be deployed effectively
5. Early Years	<ul style="list-style-type: none"> • Within the Early Years continue to develop opportunities for pupils to play imaginatively and access all areas of the Early Years wider curriculum. • To continue to develop more free flow, indoor and outdoor provision with a particular focus on understanding the world and being imaginative. • To raise points scores for end of year 2019-20 to include more exceeding elements in prime areas and understanding the world. To become more in line with national APS.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

Mercer's Wood Academy

Improvement Areas	Priority
1. Quality of Education	<ul style="list-style-type: none"> Phonics provision to improve in KS1 and across the school. Improve reading attainment in Key Stage 1 and 2. Raise the profile of reading across the school Improve the level of vocabulary recognised and used by children throughout the school Improve consistency of the quality of teaching throughout the school to ensure that children are exposed to consistently good (or better) teaching in all year groups Ensure that high ability children throughout the school are being consistently challenged Increase the profile of Spelling and Grammar throughout the school
2. Behaviour and Attitudes	<ul style="list-style-type: none"> Learning behaviours – children to have an implicit understanding of our core values Children are active learners who are engaged in lessons Improve overall attendance and persistent absence Behaviour patterns are tracked and early intervention is put in place for Tier 2 and 3 children
3. Personal Development	<ul style="list-style-type: none"> School Council to take a more active part of school life School provides opportunities to nurture, develop and stretch pupils' talents and interests Children understand the importance of a healthy lifestyle which includes a healthy diet.
4. Leadership and Management	<ul style="list-style-type: none"> Subject leaders continue to be developed as they take on further responsibilities for monitoring and evaluating their areas of responsibility. Developing Senior Leaders / distributed leadership model Improve level of oversight and challenge offered by the governing body
5. Early Years	<ul style="list-style-type: none"> Understanding The World ELG Understanding in the Communication and Language ELG Engage parents more frequently, both in terms of the children's learning and entries on Tapestry Increase attainment and improve the tracking of Pupil Premium children <p>These need addressing with outdoor opportunities to explore and enhance the learning with Child initiated learning as well as carefully structured adult led sessions.</p>

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

White's Wood Academy

Improvement area	Priority
1. Quality of Education	1.1 The attainment of Pupil Premium children is in line with all children 1.2 Ensure that retention of key learning is secure over time (particularly in maths) 1.3 Challenge for the most able pupils is evident in books (particularly in maths) 1.4 Increased opportunities for extended writing in which children demonstrate the application of progressive and specifically-taught skills 1.5 Explicit teaching of spelling which is research-based in its approach is secure 1.6 Rigorous & sequential reading plans in place, resulting in fluent and confident readers
2. Behaviour & Attitudes	2.1 Children understand growth mindset and demonstrate increased resilience and appetite for challenge 2.2 Children will answer in full sentences
3. Personal Development	3.1 Health Mentors are introduced and empowered to support their peers by raising the profile of children's well-being 3.2 Ensure that all pupils have a voice that can affect change in school
4. Leadership & Management	4.1 Subject Leaders communicate the progression within their subject across the school and have an understanding of the impact of teaching in their subject and how it underpins the School's ambitious curriculum 4.2 Develop a distributed leadership model through effective Senior Leaders

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

In so far 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 12 December 2019 and signed on its behalf by:

S Walker
Chair of Trustees (Interim)

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Tall Oaks Academy Trust Ltd 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 Executive 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 Tall Oaks Academy Trust Ltd 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.

Reasonable steps have been taken for the prevention and detection of fraud, irregularities and to provide reasonable assurance that:

- The Academy Trust complies with relevant laws and regulations;
- Proper records are maintained and financial information used within the Academy Trust or for publication is reliable and transparent;
- The Academy Trust is operating efficiently and effectively.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 5 times during the year. The Board is supplied with high-quality data on a monthly basis allowing it to make timely and effective decisions. The Trustees believe this is sufficient to provide effective oversight. It should also be noted that the Interim Chair of Trustees appointed shortly after the year end was in the role of Trust Business Manager until 26 June 2019. There has been no overlap in roles, and accordingly the Trustees do not believe a conflict exists.

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

Trustee	Meetings attended	Out of a possible
C Jackson, Interim Chair of Trustees until 1 July 2019	4	5
R Ashmore	3	5
B Roberts	5	5
A Leng	2	5
C Kirk	4	5
S Wilson, Executive Headteacher and Accounting Officer	4	5

The composition of the Trust's Governance Structure and Scheme of Delegation underwent a review during November 2016 under the guidance of an NLG appointed by the Trust. The Trust now has three layers of Governance:

- **Members :** The Trust currently has 3 Members. As the Trust grows this will increase to at least 5;
- **Trustees:** The Trust appointed 2 new Trustees recently who bring a wealth of skills and expertise to the Board of Trustees;
- **Local Governing Bodies:** A Local Governing Body was set up for Castle Wood Academy in addition to the existing White's Wood Academy Local Governing Body and Mercer's Wood Academy Local Governing Body. The Board of Trustees has delegated specific responsibilities to the Local Governing Bodies. The Chair of each Local Governing Body is also a Trustee, acting as a link between the governance layers and providing assurance to Trustees.

The annual review of governance evidenced that the Board of Trustees:

- Was confident in its vision for the Academy Trust and how this vision could be achieved;
- Held Academy Trust leaders to account for improving outcomes for all pupils;
- Had a clear delineation of roles and responsibilities.

It is the Trustees' intention to proactively source additional governance training sessions through internal and external training. Trustees will become more skilled, focussed and effective through such training. Any future Trustees will be recruited based on skills and experience of the individual and needs of the Board.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Executive Headteacher has responsibility for ensuring that the 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 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 Trust has delivered improved value for money during the year by:

- Improved procurement procedures

The Academy Trust has developed its procurement procedures to ensure the best value is achieved at all times. This is done through economies of scale and use of Framework Orders wherever possible.

- Review of Suppliers and Services

The Academy Trust has continued to routinely audit all suppliers and services to ensure value for money is achieved. This has included a review of suppliers and contracted services across the Trust, procuring Trust contracts as opposed to individual academy contracts.

The Trust has undertaken a review of its spending and value for money looking for ways to make cost efficiencies. This was brokered through the Regional Schools' Commissioner and was a free service. As a result, the ERMA (Educational Resource Management Adviser) report has suggested ways in which the Trust might make savings over the coming years.

Some of the suggestions have already been put in to place, others will be addressed in the new year 2020.

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 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 Tall Oaks Academy Trust Ltd 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 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 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.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The 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 Finance and General Purposes 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 Lincolnshire County Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems;
- Testing of purchase systems;
- Testing of control account/ bank reconciliations;
- Testing of recruitment procedures;
- Testing of governance reporting processes.

The auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Issues identified have been discussed and remedial action has been taken in particular through an administrative review of the systems and controls.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- The work of the external auditor;
- The financial management and governance self-assessment process;
- the work of the executive managers within the 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 Finance and General Purposes 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 12 December 2019 and signed on their behalf by:

S Walker
Chair of Trustees (Interim)

S Wilson
Accounting Officer

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Tall Oaks Academy Trust Ltd I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the 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 Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.

S Wilson
Accounting Officer
Date: 12 December 2019

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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 12 December 2019 and signed on its behalf by:

S Walker
Chair of Trustees (Interim)

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TALL OAKS ACADEMY TRUST LTD

Opinion

We have audited the financial statements of Tall Oaks Academy Trust Ltd (the '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 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TALL OAKS ACADEMY TRUST LTD (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 Auditor's 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 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.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TALL OAKS ACADEMY TRUST LTD (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TALL
OAKS ACADEMY TRUST LTD (CONTINUED)**

Use of our report

This report is made solely to the charitable 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 charitable Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Tower House

Lucy Tower Street

Lincoln

Lincolnshire

LN1 1XW

16 December 2019

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TALL OAKS
ACADEMY TRUST LTD AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 21 February 2019 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 Tall Oaks Academy Trust Ltd 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 Tall Oaks Academy Trust Ltd and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Tall Oaks Academy Trust Ltd 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 Tall Oaks Academy Trust Ltd and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Tall Oaks Academy Trust Ltd's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Tall Oaks Academy Trust Ltd's funding agreement with the Secretary of State for Education dated 20 February 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 Trust's income and expenditure.

Our audit work involved:

- a review of the Trust systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering / quotation procedures had been followed in line with the Trust finance policy; and
- a review of the Internal Audit reports.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TALL OAKS
ACADEMY TRUST LTD 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.

Robert Anderson

Streets Audit LLP

Date: 16 December 2019

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
	Note					
Income from:						
Donations and capital grants	3	2	-	38	40	14
Charitable activities	4	99	3,298	-	3,397	2,951
Other trading activities	5	11	-	-	11	10
Total income		112	3,298	38	3,448	2,975
Expenditure on:						
Charitable activities	6	112	3,253	93	3,458	3,247
Total expenditure		112	3,253	93	3,458	3,247
Net income/(expenditure)		-	45	(55)	(10)	(272)
Transfers between funds	16	-	(15)	15	-	-
Net movement in funds before other recognised gains/(losses)		-	30	(40)	(10)	(272)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(432)	-	(432)	272
Net movement in funds		-	(402)	(40)	(442)	-

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Note					
Reconciliation of funds:					
Total funds brought forward	-	(542)	6,232	5,690	5,690
Net movement in funds	-	(402)	(40)	(442)	-
Total funds carried forward	-	(944)	6,192	5,248	5,690

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 31 to 56 form part of these financial statements.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)
REGISTERED NUMBER: 08395421

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	13	6,161	6,232
		<u>6,161</u>	<u>6,232</u>
Current assets			
Debtors	14	112	103
Cash at bank and in hand		419	202
		<u>531</u>	<u>305</u>
Creditors: amounts falling due within one year	15	(221)	(213)
Net current assets		310	92
Total assets less current liabilities		<u>6,471</u>	<u>6,324</u>
Net assets excluding pension liability		6,471	6,324
Defined benefit pension scheme liability	22	(1,223)	(634)
Total net assets		<u><u>5,248</u></u>	<u><u>5,690</u></u>

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Funds of the Trust			
Restricted funds:			
Fixed asset funds	16	6,192	6,232
Restricted income funds	16	279	92
		<hr/>	<hr/>
Restricted funds excluding pension asset	16	6,471	6,324
Pension reserve	16	(1,223)	(634)
		<hr/>	<hr/>
Total restricted funds	16	5,248	5,690
		<hr/>	<hr/>
Unrestricted income funds	16	-	-
		<hr/>	<hr/>
Total funds		5,248	5,690
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 26 to 56 were approved by the Trustees, and authorised for issue on 12 December 2019 and are signed on their behalf, by:

S Walker
Chair of Trustees (Interim)

S Wilson
Executive Headteacher & Accounting Officer

The notes on pages 31 to 56 form part of these financial statements.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	<i>2018 £000</i>
Cash flows from operating activities			
Net cash provided by operating activities	18	194	<i>25</i>
Cash flows from investing activities	19	23	<i>(34)</i>
Change in cash and cash equivalents in the year		217	<i>(9)</i>
Cash and cash equivalents at the beginning of the year		202	<i>211</i>
Cash and cash equivalents at the end of the year	20	<u>419</u>	<u><i>202</i></u>

The notes on pages 31 to 56 form part of these financial statements

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the 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.

Tall Oaks Academy Trust Ltd meets the definition of a public benefit entity under FRS 102.

1.2 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 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 and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the 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 there are no performance-related conditions) 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 Trust has provided the goods or services.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

Assets costing £1,000 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation is provided on the following bases:

Long-term leasehold property	- No depreciation
Furniture and equipment	- 4 years straight line
Leasehold improvements	- 10 years straight line

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

Long-term Leasehold Properties are not depreciated on the grounds of immateriality. Properties are subject to regular maintenance and repair such that in the directors opinion the residual value is not materially different from the value in the financial statements and have a long useful economic life. The trustees consider the need for impairment at each period end.

1.8 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.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.9 Cash at bank and in hand

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

1.10 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 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.

1.11 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 14. 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 15. 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.

1.12 Operating leases

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

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.13 Pensions

Retirement benefits to employees of the 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 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 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.

1.14 Fund accounting

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

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

2. 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:

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Trust fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The 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 22, 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.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Donations	2	-	2
Capital Grants	-	38	38
Total 2019	2	38	40

	<i>Restricted fixed asset funds 2018 £000</i>	<i>Total funds 2018 £000</i>
Capital Grants	14	14

4. Funding for the Trust's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
DfE/ESFA grants			
General Annual Grant (GAG)	-	2,591	2,591
Other DfE/ESFA Grants	-	447	447
	-	3,038	3,038
Other government grants			
Special Educational Needs	-	114	114
Local Authority Grants	-	146	146
	-	260	260
Other funding			
Parental contributions and other income	99	-	99
	99	-	99
Total 2019	99	3,298	3,397

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

4. Funding for the Trust's educational operations (continued)

	<i>Unrestricted funds 2018 £000</i>	<i>Restricted funds 2018 £000</i>	<i>Total funds 2018 £000</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	2,303	2,303
Other DfE/ESFA Grants	-	475	475
	-	2,778	2,778
Other government grants			
Special Educational Needs	-	30	30
Local Authority Grants	-	30	30
	-	60	60
Other funding			
Parental contributions and other income	113	-	113
	113	-	113
<i>Total 2018</i>	<i>113</i>	<i>2,838</i>	<i>2,951</i>

5. Income from other trading activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Hire of facilities	11	11	10

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

6. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000
Educational operations				
Direct costs	2,029	-	179	2,208
Support costs	665	177	408	1,250
Total 2019	2,694	177	587	3,458
	<i>Staff Costs 2018 £000</i>	<i>Premises 2018 £000</i>	<i>Other 2018 £000</i>	<i>Total 2018 £000</i>
Educational operations				
Direct costs	1,822	-	124	1,946
Support costs	668	146	487	1,301
<i>Total 2018</i>	<i>2,490</i>	<i>146</i>	<i>611</i>	<i>3,247</i>

7. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000
Educational operations	2,208	1,250	3,458
	<i>Activities undertaken directly 2018 £000</i>	<i>Support costs 2018 £000</i>	<i>Total funds 2018 £000</i>
Educational operations	1,946	1,301	3,247

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Pension finance cost	20	20
Staff costs	2,029	1,822
Educational supplies	67	44
Staff development	19	26
Educational consultancy	66	30
Staff supply costs	7	4
	<u>2,208</u>	<u>1,946</u>

Analysis of support costs

	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Staff costs	665	668
Depreciation	86	88
Maintenance of premises and equipment	34	40
Rent and rates	10	10
Insurance	15	15
Light and heat	36	32
Cleaning	8	9
Water	8	7
Security and transport	10	11
Other premises costs	66	32
Catering	150	147
Other support costs	94	161
Auditors remuneration	13	12
Legal and professional fees	55	69
	<u>1,250</u>	<u>1,301</u>

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	<i>2018</i> <i>£000</i>
Operating lease rentals	4	7
Depreciation of tangible fixed assets	86	88
Fees paid to auditor for:		
- audit	9	9
- other services	4	3
	<u> </u>	<u> </u>

9. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	<i>2018</i> <i>£000</i>
Wages and salaries	2,041	1,872
Social security costs	172	157
Pension costs	481	461
	<u> </u>	<u> </u>
	<u>2,694</u>	<u><i>2,490</i></u>

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

There were no staff restructuring costs during this, or the prior year.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

9. Staff costs (continued)

c. Staff numbers

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

	2019 No.	<i>2018</i> <i>No.</i>
Teachers	32	<i>33</i>
Administration and Support	62	<i>62</i>
Management	7	<i>6</i>
	<hr/> 101 <hr/>	<hr/> <i>101</i> <hr/>

d. Higher paid staff

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

	2019 No.	<i>2018</i> <i>No.</i>
In the band £60,001 - £70,000	1	<i>1</i>
	<hr/> 1 <hr/>	<hr/> <i>1</i> <hr/>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Executive Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £345,000 (2018 - £309,000).

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

10. Central services

The Trust has provided the following central services to its academies during the year:

- human resources
- financial services
- legal services
- educational support services
- other as arising

The Trust charges for these services on the following basis:

Costs have been recharged to the schools based on the assessment of the Trustees. Going forwards, the Trust is moving to a percentage of income model.

The actual amounts charged during the year were as follows:

	2019	<i>2018</i>
	£000	<i>£000</i>
White's Wood Academy	184	<i>156</i>
Mercer's Wood Academy	100	<i>156</i>
Castle Wood Academy	104	<i>78</i>
Total	388	<i>390</i>

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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	<i>2018</i>
		£000	<i>£000</i>
S Wilson, Executive Headteacher and Accounting Officer	Remuneration	65 - 70	<i>65 - 70</i>
	Pension contributions paid	10 - 15	<i>10 - 15</i>

During the year ended 31 August 2019, no Trustee expenses have been incurred (*2018 - £NIL*).

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

12. Trustees' and Officers' insurance

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

13. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Property Improvem't £000	Total £000
Cost or valuation				
At 1 September 2018	5,853	231	512	6,596
Additions	-	15	-	15
At 31 August 2019	5,853	246	512	6,611
Depreciation				
At 1 September 2018	-	106	258	364
Charge for the year	-	35	51	86
At 31 August 2019	-	141	309	450
Net book value				
At 31 August 2019	5,853	105	203	6,161
At 31 August 2018	5,853	125	254	6,232

Long-term leasehold properties are held on 125-year leases from Lincolnshire County Council. Mercer's Wood and White's Wood property are valued in line with the ESFA valuation. Castle Wood is held at a value provided by Kier Business Services.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

14. Debtors

	2019 £000	<i>2018</i> <i>£000</i>
Due within one year		
Trade debtors	2	-
VAT recoverable	28	35
Prepayments and accrued income	82	68
	<u>112</u>	<u>103</u>

15. Creditors: Amounts falling due within one year

	2019 £000	<i>2018</i> <i>£000</i>
Trade creditors	54	62
Other taxation and social security	42	39
Other creditors	41	38
Accruals and deferred income	84	74
	<u>221</u>	<u>213</u>

	2019 £000	<i>2018</i> <i>£000</i>
Deferred income		
Deferred income at 1 September	61	21
Resources deferred during the year	55	61
Amounts released from previous periods	(61)	(21)
Deferred income at 31 August	<u>55</u>	<u>61</u>

Income deferred at 31 August 2019 relates to monies received prior to the year end for provision of Universal Infant Free School Meals and trips commencing from September 2019 onwards.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

16. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds	-	112	(112)	-	-	-
Restricted general funds						
General Annual Grant (GAG)	73	2,591	(2,436)	(15)	-	213
Other ESFA Restricted Funds	19	447	(400)	-	-	66
Other Government Grants	-	260	(260)	-	-	-
Pension Reserve	(634)	-	(157)	-	(432)	(1,223)
	<u>(542)</u>	<u>3,298</u>	<u>(3,253)</u>	<u>(15)</u>	<u>(432)</u>	<u>(944)</u>
Restricted fixed asset funds						
NBV of Fixed Assets	6,232	-	(86)	15	-	6,161
Unspent Capital Grants	-	38	(7)	-	-	31
	<u>6,232</u>	<u>38</u>	<u>(93)</u>	<u>15</u>	<u>-</u>	<u>6,192</u>
Total Restricted funds	<u>5,690</u>	<u>3,336</u>	<u>(3,346)</u>	<u>-</u>	<u>(432)</u>	<u>5,248</u>
Total funds	<u><u>5,690</u></u>	<u><u>3,448</u></u>	<u><u>(3,458)</u></u>	<u><u>-</u></u>	<u><u>(432)</u></u>	<u><u>5,248</u></u>

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

16. Statement of funds (continued)

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

Unrestricted funds

General funds represent those resources which may be used towards meeting any of the objects of the Trust at the discretion of the Trustees. These are not currently designated for particular purposes.

Restricted funds

General Annual Grant (GAG) is made up of a number of different funding streams from the ESFA, all of which are to be used to cover the costs of the Trust.

Other ESFA grants represent funding received for specific projects.

Other government funds relates to local authority income restricted for a specific purpose.

Restricted Fixed Asset Funds:

NBV of Fixed Assets - represents the total net book value of fixed assets owned by the Academy.

Unspent Capital Grants - represents the balance of DFC / CIF Grants received but unspent at the year-end.

Pension reserve represents the current deficit balance of the Local Government Pension Scheme.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	<i>2018</i> <i>£000</i>
Mercer's Wood Academy	101	43
White's Wood Academy	97	22
Castle Wood Academy	81	27
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	279	92
Restricted fixed asset fund	6,192	6,232
Pension reserve	(1,223)	(634)
	<hr/>	<hr/>
Total	5,248	5,690
	<hr/> <hr/>	<hr/> <hr/>

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

16. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000
Mercer's Wood Academy	688	215	15	191	1,109
White's Wood Academy	689	154	15	139	997
Castle Wood Academy	507	150	31	179	867
Central services	145	146	6	102	399
Trust	<u>2,029</u>	<u>665</u>	<u>67</u>	<u>611</u>	<u>3,372</u>

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

16. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
Unrestricted funds						
General funds	51	123	(174)	-	-	-
Restricted general funds						
General Annual Grant (GAG)	94	2,303	(2,288)	(36)	-	73
Other ESFA Restricted Funds	19	475	(475)	-	-	19
Other Government Grants	-	60	(60)	-	-	-
Pension Reserve	(745)	-	(161)	-	272	(634)
	(632)	2,838	(2,984)	(36)	272	(542)
Restricted fixed asset funds						
NBV of Fixed Assets	5,911	-	-	-	-	5,911
Assets funded by GAG income	130	-	(88)	36	-	78
Assets funded by DfE capital grants	229	14	-	-	-	243
	6,270	14	(88)	36	-	6,232
Total Restricted funds	5,638	2,852	(3,072)	-	272	5,690
Total funds	5,689	2,975	(3,246)	-	272	5,690

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	6,161	6,161
Current assets	500	31	531
Creditors due within one year	(221)	-	(221)
Provisions for liabilities and charges	(1,223)	-	(1,223)
Total	<u>(944)</u>	<u>6,192</u>	<u>5,248</u>

Analysis of net assets between funds - prior year

	<i>Restricted funds 2018 £000</i>	<i>Restricted fixed asset funds 2018 £000</i>	<i>Total funds 2018 £000</i>
Tangible fixed assets	-	6,232	6,232
Current assets	305	-	305
Creditors due within one year	(213)	-	(213)
Provisions for liabilities and charges	(634)	-	(634)
Total	<u>(542)</u>	<u>6,232</u>	<u>5,690</u>

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

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

	2019 £000	<i>2018</i> <i>£000</i>
Net expenditure for the year (as per Statement of financial activities)	(10)	<i>(272)</i>
Adjustments for:		
Depreciation	86	<i>88</i>
Capital grants from DfE and other capital income	(38)	<i>(14)</i>
Increase in debtors	(9)	<i>(12)</i>
Increase in creditors	9	<i>76</i>
Pension adjustment	156	<i>159</i>
Net cash provided by operating activities	194	<i>25</i>

19. Cash flows from investing activities

	2019 £000	<i>2018</i> <i>£000</i>
Purchase of tangible fixed assets	(15)	<i>(48)</i>
Capital grants from DfE Group	38	<i>14</i>
Net cash provided by/(used in) investing activities	23	<i>(34)</i>

20. Analysis of cash and cash equivalents

	2019 £000	<i>2018</i> <i>£000</i>
Cash in hand	419	<i>202</i>
Total cash and cash equivalents	419	<i>202</i>

21. Contingent liabilities

In the event of Tall Oaks Academy Trust Ltd ceasing to operate as an Trust, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the Trust.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

22. Pension commitments

The 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 Lincolnshire County Council. Both are multi-employer defined benefit schemes.

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

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

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%.

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

22. 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 £198,000 (2018 - £187,000).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £185,000 (2018 - £168,000), of which employer's contributions totalled £143,000 (2018 - £131,000) and employees' contributions totalled £42,000 (2018 - £37,000). The agreed contribution rates for future years are 19.9 per cent for employers and a maximum of 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	<i>2018</i>
	%	%
Rate of increase in salaries	2.70	<i>2.70</i>
Rate of increase for pensions in payment/inflation	2.30	<i>2.30</i>
Discount rate for scheme liabilities	1.90	<i>2.80</i>

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

	2019	<i>2018</i>
	Years	Years
<i>Retiring today</i>		
Males	21.2	<i>22.1</i>
Females	23.5	<i>24.4</i>
<i>Retiring in 20 years</i>		
Males	22.5	<i>24.1</i>
Females	25.2	<i>26.6</i>

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

22. Pension commitments (continued)

Sensitivity analysis

	2019	<i>2018</i>
	£000	<i>£000</i>
Discount rate -0.5%	405	<i>273</i>
CPI rate +0.5%	346	<i>227</i>
Salary rate +0.5%	51	<i>43</i>
	=====	<i>=====</i>

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

	At 31 August 2019	<i>At 31 August 2018</i>
	£000	<i>£000</i>
Equities	1,066	<i>877</i>
Corporate bonds	234	<i>180</i>
Property	146	<i>132</i>
Cash and other liquid assets	14	<i>13</i>
Total market value of assets	===== 1,460	<i>=====</i> <i>1,202</i>

The actual return on scheme assets was £79,000 (2018 - £84,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019	<i>2018</i>
	£000	<i>£000</i>
Current service cost	(265)	<i>(272)</i>
Past service cost	(15)	<i>-</i>
Interest cost	(20)	<i>(20)</i>
Total amount recognised in the Statement of financial activities	===== (300)	<i>=====</i> <i>(292)</i>

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

22. Pension commitments (continued)

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

	2019	<i>2018</i>
	£000	<i>£000</i>
At 1 September	1,836	<i>1,699</i>
Current service cost	280	<i>272</i>
Interest cost	56	<i>46</i>
Employee contributions	42	<i>37</i>
Changes in actuarial assumptions	475	<i>(216)</i>
Benefits paid	(6)	<i>(2)</i>
At 31 August	2,683	<i>1,836</i>

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

	2019	<i>2018</i>
	£000	<i>£000</i>
At 1 September	1,202	<i>954</i>
Interest income	36	<i>26</i>
Return on assets excluding net interest	43	<i>56</i>
Employer contributions	143	<i>131</i>
Employee contributions	42	<i>37</i>
Benefits paid	(6)	<i>(2)</i>
At 31 August	1,460	<i>1,202</i>

23. Operating lease commitments

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

	2019	<i>2018</i>
	£000	<i>£000</i>
Amounts payable		
Not later than 1 year	4	<i>7</i>
Later than 1 year and not later than 5 years	-	<i>4</i>
Total	4	<i>11</i>

TALL OAKS ACADEMY TRUST LTD
(A company limited by guarantee)

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

24. 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.

25. Related party transactions

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, 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 Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain Trustees remuneration and expenses already disclosed in note 11.