



TAPTON SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

**FOR THE SEVENTEEN MONTH PERIOD
ENDED 31 AUGUST 2013**

TAPTON SCHOOL ACADEMY TRUST

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 11
Governance Statement	12 - 14
Statement on Regularity, Propriety and Compliance	15
Trustees' Responsibilities Statement	16
Independent Auditor's Report	17 - 18
Independent Auditor's Assurance Report on Regularity	19 - 20
Statement of Financial Activities	21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Financial Statements	24 - 48

TAPTON SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

Trustees

Mr David Bowes, Executive Headteacher (appointed 7 July 2011)
Mrs Sarah Goodhead, Staff Governor (appointed 7 July 2011, resigned 26 November 2012)
Mrs Gillian Delaney, Staff Governor (appointed 7 July 2011)
Reverend John Simms, Community Governor (appointed 7 July 2011, resigned 26 November 2012)
Mr Nabeel Nasser, Responsible Officer (appointed 7 July 2011)
Mr Colin Beresford, Community Governor (appointed 7 July 2011)
Mr Fred Woodruff, Parent Governor (appointed 7 July 2011)
Mr Steven Sims, Parent Governor (appointed 7 July 2011, resigned 26 November 2012)
Mr Derek Rosario, Parent Governor (appointed 7 July 2011, resigned 18 December 2012)
Mr Stuart Evans, Community Governor (appointed 7 July 2011, resigned 19 December 2012)
Mr James Scott, Community Governor (appointed 7 July 2011, resigned 26 November 2012)
Mrs Caroline Bagley, Chair of Strategic Board and Community Governor (appointed 7 July 2011)
Mrs Lorraine Aspin, Parent Governor (appointed 7 July 2011)
Mr Stephen Train (appointed 7 July 2011, resigned 14 October 2012)
Mrs Linda Bayley, Community Governor (appointed 7 July 2011, resigned 26 November 2012)
Mrs Giselle Rodrigo, Community Governor (appointed 7 July 2011)
Mrs Pamela Leon, Staff Governor (appointed 2 July 2012, resigned 18 December 2012)
Mr Kenneth Matthews, Chair of Chaucer School (appointed 26 November 2012)
Mr David Burnham, Chair of Meynell Community Primary School (appointed 1 April 2013)
Mrs Jean Rawlings, Chair of Southey Green Primary School (appointed 1 April 2013)

Company registered number

07697171

Principal and registered office

Tapton School, Darwin Lane, Sheffield, South Yorkshire, S10 5RG

Company secretary

Mrs Debra Kirkham

Accounting officer

Mr David Bowes

Independent auditor

Barber Harrison & Platt, 2 Rutland Park, Sheffield, S10 2PD

TAPTON SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

Advisers (continued)

Bankers

Royal Bank of Scotland

Lloyds TSB

TAPTON SCHOOL ACADEMY TRUST

TRUSTEES' REPORT

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Tapton School Academy Trust (the Trust) for the Seventeen month period ended 31 August 2013. The Trustees confirm that the Annual Report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a Constitution

The Trust is a charitable company limited by guarantee and was set up by a Memorandum of Association on 30 June 2011.

It commenced trade on 1 April 2012 and these accounts cover the seventeen month period from that date to 31 August 2013.

Details of the trustees who served during the accounting period are included in the Reference and Administrative Details on page 1.

b. 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.

c Method of recruitment and appointment or election of Trustees

The number of directors of the company shall not be less than 3 but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The articles of association set out the categories of directors and this includes the following:

- Up to 1 director appointed by the members
- Up to 5 academy directors shall be appointed by the directors of the company (from amongst the local governing bodies of schools belonging to the trust)
- 2 parent directors
- The Executive Headteacher
- Up to 3 co-opted directors
- Any additional directors appointed by the Secretary of State
- Any further directors appointed by the Secretary of State
- Up to 2 directors, if appointed by the Secretary of State in accordance with the terms of any relevant Funding Agreements following the provision of a notice by the Trust to terminate that relevant Funding Agreement.

d Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new governors/trustees depends on their previous experience. Schools within the trust have purchased governor training packages. New governors are invited to meet with school leaders and they undertake training. Training is also provided for all governors to enable them to carry out their legal responsibilities and to enable them to hold the school leadership to account.

TAPTON SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (continued)

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

e Organisational structure

The management structure consists of 3 levels, the Board of Directors (Strategic Board), the Local Governing Bodies and the Senior Leadership Teams of each school. The aim of the structure is to devolve responsibility encouraging decision making at all levels. The Strategic Board comprises the five members plus representatives from the primary and secondary schools in the Trust.

The Strategic Board are responsible for, setting general policy, setting the aims and objectives of the trust and ensuring these are progressing, approving the annual budgets of each academy, receiving updated termly budget reports, receiving reports of exam results, agreeing capital expenditure over agreed limits and approving senior staff appointments where necessary.

The senior leadership teams comprise of Headteachers, Heads of Schools, Deputy Headteachers, Assistant Headteachers and Business Managers. These senior leaders manage each individual school within the trust at an executive level, implementing those policies agreed by the Strategic Board and reporting back to them where appropriate. The senior leadership teams are responsible for managing individual school budgets and making staff appointments. The Executive Headteacher works closely with all the senior leadership teams within the trust as well as brokering support for schools outside the trust.

f. Connected organisations, including related party relationships

The Trust does not operate any formal federation relationships with other education establishments but its staff, across the curriculum, work collaboratively with many other schools and organisations.

g. Risk management

The trustees have assessed the major risks faced by the trust. The key risk areas have been identified as:

- Recruitment – recruiting someone unsuitable to work with children
- Financial – uncertainty regarding the outcomes of the funding reform along with uncertainty regarding future government funding streams
- Health and Safety – the possibility of a student, employee, visitor or volunteer being injured on one of our sites

The trustees have implemented a number of systems to assess risks faced by the trust, especially in the operational areas (teaching, health and safety, bullying and school trips) and in relation to the control of finance. There are systems in place to minimise risks, including operational procedures (e.g. safeguarding systems in relation to new staff and visitors, risk assessment procedures for school trips and visits) and internal financial controls. Where significant risks remain the directors have ensured that adequate insurance cover is in place. The schools have an effective system of internal financial controls which is explained in more detail in the Governance statement.

h. Trustees' indemnities

Trustees are covered by the Academy Trust insurer for liability arising from negligent acts, errors and omissions committed in good faith.

i. Principal activities

The principal activities of the charitable company are to establish and maintain a number of academies in accordance with the requirements of the Master Funding Agreement.

TAPTON SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (continued)

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

Objectives and Activities

a Objects and aims

The principle objectives and aim of the charitable company is to bring about a rapid improvement in the quality and effectiveness of education in schools in Sheffield. Specifically, by establishing a multi academy cross phase Trust capable of developing its schools and thereby ensuring progress and attainment for all our learners is at or above national expectations.

Main Objectives/aims during the period ended 31 August 2013

- Ensure that every learner experiences the same high quality learning experience, care and resourcing across the Trust
- Provide every opportunity for all learners to achieve and make good or better progress
- To improve the curriculum offer in all Trust schools to ensure success for every learner. Review the curriculum continuously to meet the rapidly changing Government agenda
- Comply with statutory curriculum requirements
- To use the Trust network and reputation in order to train, recruit and retain staff who are at least good or better in every aspect of their performance
- To conduct every aspect of the Trust's business in accordance with the very highest standards of transparency, probity and integrity

b. Objectives, strategies and activities

Our vision for the Trust is to create a close knit community of schools which are mutually supportive and at the heart of all these activities and endeavours are our young people. Their safety and well being, attainment and progress, social and emotional development will be achieved within the Trust culture of success and climate for success and inclusive ethos.

A shared and unrelenting focus on school improvement and rapid rising standards will contribute to the success of every learner and to the wider improvement in Sheffield. Our most disadvantaged communities will benefit as will our hardest to reach families and students. The Trust recognises the urgent need to provide personalised support and learning opportunities to all our young people. Collaboration within and beyond the Trust schools will enable students to achieve their goals and dramatically improve their life chances.

c Public benefit

In exercising its powers and duties the Trust has complied with its duty to have due regard to the Charity Commission's guidance on Public Benefit. The main public benefit delivered by the Trust is the provision of a high quality education to its students which is evidenced through the results achieved and feedback from external assessments.

Achievements and performance

a Going concern

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

TAPTON SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (continued)

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

b. Key financial performance indicators

Key Financial Performance Indicators

The Trust recognises the importance of performance indicators, to ensure that it delivers educational and financial excellence

Financial performance is monitored by the governors and the senior leadership team at each individual school level through periodic internal financial reports. Budget forecasts are updated regularly and shared at meetings of the Strategic Board.

It is also monitored through the completion and submission to the Education Funding Agency (EFA) of

- the annual Accounts Return
- the annual Academies Budget Forecast

c. Review of activities

The Trust was established in April 2012 and at that point consisted of one secondary school – Tapton. Between September 2012 and August 2013 a further three schools joined the trust (one secondary and two infant/junior schools).

The total number of students for the year ending August 2013, as compared to the year ending August 2012 were as follows,

	2012/13	2011/12
Years 1 – 6		
Southey Green	702	665
Meynell	387	430
Years 7 - 11		
Tapton	1157	1155
Chaucer	849	835
Years 12 – 13		
Tapton	446	489

Headline examination results for 2012/13 academic year are summarised as follows

	5+A*-C'S incl E & M		5+A*-C'S all subjects	
	2013	2012	2013	2012
Tapton	81.1%	85.5%	75.1%	72%
Chaucer	39%	37%	71.3%	77.5%

TAPTON SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (continued)

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

The method of recording KS2 results has changed in 2013 therefore the comparative data for 2012 is not available Below are the results for 2013

	Eng L4+			Eng L5			Eng L6		
	R	W	SPA	R	W	SPA	R	W	SPA
Meynell Primary	74%	74%	65%	33%	67%	0%	10%	67%	0%
Southey Green	59%	69%	44%	15%	9%	17%	0%	0%	0%

	Maths L4+	Maths L5	Maths L6
Meynell Primary	86%	33%	0%
Southey Green	69%	15%	0%

	Combined L4+	Combined L5	Combined L6
Meynell Primary	67%	7%	0%
Southey Green	48%	4%	0%

% Attendance levels for the academic year 2012/13

	Attendance levels % 12/13	Attendance levels % 11/12
Tapton	96.9	95.7
Chaucer	91.4	91.6
Southey	92.7	92.9
Meynell	90.4	92.5

Tapton School

Tapton is an 11-18 school with 1600+ students, situated in the south west of Sheffield. In December 2012 an Ofsted inspection judged that Tapton School was outstanding in all aspects. A summary of the key findings are

- *Students learn exceptionally well and they are exceptionally well prepared for the next stage in their education*
- *Across years 7 to 11 teaching in most subjects, the quality of teaching including English and mathematics, is outstanding*
- *Students' attitudes to learning and school life are exemplary and students' behaviour is impeccable*
- *All groups of students make outstanding progress across years 7 to 11*
- *The sixth form is outstanding*
- *Systems to ensure an accurate and up-to-date picture of the progress of all groups of students are of the highest order*
- *The school's curriculum is very well matched to students' needs*
- *Visually impaired students are exceptionally well integrated into school life and also achieve outstandingly well*
- *The school has been successful in reducing attainment gaps of students*
- *The Headteacher is hugely ambitious on the part of all students and promotes an uncompromising and highly successful drive to maintain high levels of achievement and personal development for all students. Senior leaders share his passion for Tapton to be the 'very best'*
- *There are no key areas for improvement that are not addressed by Leaders in their relevant action plans*

TAPTON SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (continued)

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

Chaucer School

Chaucer School is a happy, rapidly improving school that has undergone considerable change in the last 18 months since becoming an Academy in September 2012 as part of Tapton School Academy Trust. Chaucer School's last Ofsted inspection was in March 2011 at which time it was graded satisfactory. Tapton School Academy Trust began working with Chaucer School in summer 2011 with Chaucer becoming an Academy on 1st September 2012. Since then there have been significant changes in staffing including senior leadership. Students' progress is improving considering their starting point. Students come from a deprived area and enter with KS2 data significantly below NA.

- The school achieved its best exam results ever over the last two years with 37% and 39% respectively achieving 5A* to C including English and Maths
- In 2013 school performance was 4% above national expectation when using the transitional matrices as an indicator of cohort performance. The School FFT range was 32% FFT D - 39% FFT A
- In English progress is above national expectation when using the transitional matrices as an indicator of cohort performance with 63.3% 3LP (indicator 60%) and 26.6% making 4LP. Maths is 14 points below the indicator but is 3 points above the 3 year trend within the school and a 10 point improvement over two years
- Gaps in performance are closing with key groups
- Rigorous progress monitoring systems have been developed during the year and play an important role in focusing attention on progress in all subject areas and all year groups
- The rates at which students are making progress is showing a two year trend of improvement
- Teachers in all subjects and key stages have well developed subject knowledge and students learn well
- The views of students and parents are positive about the quality of teaching in the school

Current tracking shows achievement is due to continue to make improvements and we are anticipating year on year improvement. The school has a strong community foundation and a vision to raise aspirations within the community and to be at the heart of the community it serves as set out by the governors.

Southey Green Primary and Infant School

Southey Green is a large primary school in north Sheffield. The school is at the heart of its community and converted to an Academy within the Tapton School Academy Trust on the 1st January 2013.

2012-2013 Standards and achievement summary

- Children enter the Foundation Stage with levels of attainment which are well below those expected for children of their age
- By the end of the Foundation stage (2013) outcomes for children are below those expected for children of their age
- By the end of KS1 (2013) attainment is significantly below the national average at level 2b+ in reading, and below in writing and mathematics
- By the end of KS1 (2013) attainment is significantly below the national average at level 3 in reading, writing and mathematics
- By the end of Key Stage 2 (2013) attainment remains significantly below national expectations. At 49% the combined Floor Standard of 65% was missed and 60% pupils made 2 levels of progress in reading, 81% in writing and 73% in mathematics

The previous Headteacher, School Business Manager, Deputy Headteacher and 2 Assistant Headteachers left the school with effect from August 2012 prior to academy conversion. A Lead Headteacher was seconded from the Local Authority to support the school at the request of the Academy Trust from September 2012.

The Academy Trust appointed the Lead Headteacher to the substantive post from the 3rd June 2013. The school has

TAPTON SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (continued)

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

undertaken a Leadership restructure and continues to restructure the support staff during its first year as an Academy. There has been a high turnover of staff, for example, a total of 10 new teachers joined the school from September 2013.

Meynell Primary School

Meynell Primary School converted to Academy status on 1st April 2013. In October 2012 an Ofsted inspection had taken place and the judgement was that the school required improvement. A summary of the key findings is set out below.

- *Pupils are kind, considerate and caring towards each other, visitors and staff. Their behaviour around school reflects this.*
- *Pupils achieve well in Year 6 because of the high quality teaching in this group.*
- *Most pupils are happy and parents agree that the majority of their children enjoy school. Pupils feel safe.*
- *Although the current executive headteacher is very new, she is already bringing about changes needed and has brought stability to the school. Considerable changes have been made to leadership roles within the school and this is starting to have a positive effect on teaching and achievement.*
- *Through the use of carefully monitored programmes, staff in the 'Nurture Room' help pupils who use this facility to improve their behaviour and attitudes to learning and to make a quick return to the classroom.*

Since this inspection report was published considerable changes have been made and the quality of learning and teaching is continuing to develop.

Financial review

a. Financial and risk management objectives and policies

The Trust is not generally exposed to significant uncertainty in relation to financial instruments. The key issue is the pension scheme liability, which is included in the accounts on the basis of actuarial advice and inevitably will be subject to fluctuations in the future.

b. Principal risks and uncertainties

Each School within the trust has undertaken work during the period to establish the system of internal control, including financial, operational and risk management which is designed to protect the School's assets and reputation. The School's Risk Register contains the details of risks to which our organisation is exposed. It identifies the key risks, the likelihood of those risks occurring, their potential impact on the School and the actions being taken to avoid, reduce and mitigate the risks. The register includes the controls in place to minimise and mitigate potential impact on the School. It also reflects the continuing efforts taken by the School during the period and includes appropriate review dates for those risks. All proposed new activities are assessed for risk. Risks are rated using a consistent scoring system.

The most significant risks are identified below.

1. Government funding

The Trust has considerable reliance on continued government funding through the EFA under funding agreement with the Department for Education. In 2012/13, almost 98% of the School's revenue was ultimately public funded. The Trust is informed by the EFA of funding mechanisms and policies to the same degree as similar organisations. The government funding policies and practices may remain the same or change in relation to their levels or terms. This risk is mitigated in a number of ways including contractual arrangements, by delivering high quality education and maintaining our relationship with EFA acting as the delivery agency for funding and compliance on behalf of the Department for

TAPTON SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (continued)

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

Education

The government's funding formula uses pupil numbers, amongst other matters, as the primary driver to determine funding levels. Whilst pupil numbers in the primary schools is expected to increase over the forthcoming year, secondary numbers are set to fall. This makes the drive to improve standards in order to attract student numbers a key focus of the trust's work.

2 Underlying rate of inflation and staffing costs

The Trust is mindful of the rise in the underlying rate of inflation. The Trust's employees transferred from the local authority employer to the Academy Trust with the same terms and conditions, and have been subject to the same pay freezes. However, natural progression within salary scales increases costs annually. The Trust is mindful of the forthcoming wage negotiations against a backdrop of an increasing rise in inflation and the continuing national spending restrictions.

3 Academic achievement of students and quality of teaching

High standards in these areas is a prerequisite to maintaining student numbers and therefore funding and these have been recognised as key risks in the schools' risk registers and actions are in place to mitigate these risks.

c. Reserves policy

A key objective of the Trust is to maintain a structure of prudent financial management.

The aim of the Trust Reserves Policy is twofold and the level of reserves should

- ensure fluctuations in income (e.g. reduced student numbers) or unexpected expenditure (e.g. urgent maintenance work, curriculum changes) are managed effectively
- enable a robust programme for the renewal and replacement of school assets to be developed and maintained

In achieving this, the trustees are mindful that existing students are not disadvantaged through the retention of excessive reserves. To this end the local governing bodies will review reserve levels annually.

At 31 August 2013 the balance of the Trust's Unrestricted Funds was £747,071 and the balance of its Restricted General Funds was £1,147,451 (before allowing for pension liabilities of £5,397,000).

Plans for the future

a Future developments

The Trust has repeatedly been approached by Local Authority officers to enlist support for more schools within Sheffield. Presently we are providing this to three Primary schools outside of the Trust – Lowedges, Valley Park and Wisewood.

Hillsborough Primary is now a member of the trust and as a converter academy is in a position to add significantly to our capacity to support further primary schools that are facing challenge or are in an Ofsted category. We have made a bid to the DfE for Building Capacity Grant and this will add vital resources to speed this process. Furthermore, a permanent appointment to the Headteacher's post at Meynell will be made early 2014 and this too will add capacity and release the Executive Head of Hillsborough/Meynell for more work within the Trust.

TAPTON SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (continued)

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

Recently when the Headteacher of Hallam Primary school secured a new post, its Governors approached the Trust for advice and support. Our efforts resulted in the appointment of an Executive Head who works with both Mosborough and Hallam schools. Hallam governors have since expressed a wish to join the Trust.

In summary, the model which has been successful around the Chaucer family of schools, which secures leadership and student progress, is now capable of being replicated with the Tapton family of schools. Likewise, since the Trust is to become the sponsor for Forge Valley Community School on 1st February 2014 a similar development is possible. This is most likely to begin with Wisewood Primary which is already receiving much needed support from the Trust.

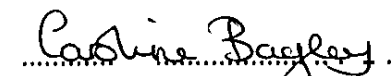
Ensuring all schools are providing the very best opportunities for learning and that every student makes good or better progress will always be our aim. Therefore, developing the trust in a measured and sustainable way will be our priority as we move forward.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report was approved by order of the board of trustees on 16 December 2013 and signed on its behalf by



Mrs Caroline Bagley, Chair of Strategic Board
Chair of Trustees

TAPTON SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Tapton School Academy Trust 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 Tapton School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The board of trustees has formally met 6 times during the Seventeen month period. Attendance during the Seventeen month period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr David Bowes, Executive Headteacher	6	6
Mrs Sarah Goodhead, Staff Governor	1	3
Mrs Gillian Delaney, Staff Governor	2	3
Reverend John Simms, Community Governor	0	3
Mr Nabeel Nasser, Responsible Officer	5	6
Mr Colin Beresford, Community Governor	6	6
Mr Fred Woodruff, Parent Governor	5	6
Mr Steven Sims, Parent Governor	2	3
Mr Derek Rosario, Parent Governor	1	3
Mr Stuart Evans, Community Governor	2	3
Mr James Scott, Community Governor	2	3
Mrs Caroline Bagley, Chair of Strategic Board and Community Governor	6	6
Mrs Lorraine Aspin, Parent Governor	5	6
Mr Stephen Train	0	2
Mrs Linda Bayley, Community Governor	3	3
Mrs Giselle Rodrigo, Community Governor	5	6
Mrs Pamela Leon, Staff Governor	1	2
Mr Kenneth Matthews, Chair of Chaucer School	4	4
Mr David Burnham, Chair of Meynell Community Primary School	1	2
Mrs Jean Rawlings, Chair of Southey Green Primary School	0	2

(On conversion the trustees were the former members of the local governing body of Tapton School. As additional schools became part of the multi academy trust the Strategic Board was formed with a number of resignations and appointments as per page 1 of this annual report.)

The Strategic Board currently consists of 10 trustees which includes the Chair of the local governing body of each school in the Trust. During the 17 month period being reported on, the Strategic Board met as a whole to discuss all issues of relevance to the operation of the multi academy trust, to include agreeing policies in relation to finance/staffing, agreeing individual schools budgets to reviewing risk and audit procedures in each of the schools. Therefore no sub-committees of the Strategic Board were formed, however each school's local governing body has sub-committees that deal with

TAPTON SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

finance/staffing/health and safety/teaching and learning/parent and community

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Tapton School Academy Trust for the Seventeen month period 1 April 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the Seventeen month period 1 April 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The 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 committees 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 Strategic Board has considered the need for a specific internal audit function and has decided to appoint Barber, Harrison and Platt as internal auditor to the trust. Their role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The appointment of Barber, Harrison and Platt does not compromise the independence of the external audit as safeguards are in place to manage any potential conflict of interest including the use of separate internal and external audit teams.

Following a visit from internal auditors to a school, a report is prepared which is shared with the local governing body of that school. Any concerns/issues are then raised with Strategic Board. From September 2013 a separate audit committee of the Strategic Board has been formed. This committee will be provided with copies of all internal audit reports.

No material control issues have been raised by internal audit during the period being reported.

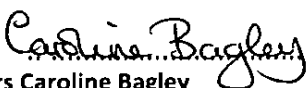
Review of Effectiveness

As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the Seventeen month period 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 academy who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Strategic Board and a plan to ensure continuous improvement of the system is in place

Approved by order of the members of the Strategic Board on 16 December 2013 and signed on their behalf, by

...  ...
Mrs Caroline Bagley
Chair of Strategic Board

...  ...
Mr David Bowes
Accounting Officer

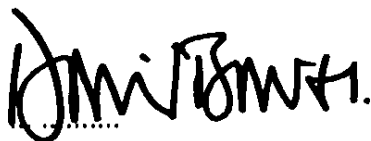
TAPTON SCHOOL ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr David Bowes
Accounting Officer

Date 16 December 2013

TAPTON SCHOOL ACADEMY TRUST

TRUSTEES' RESPONSIBILITIES STATEMENT

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

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

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

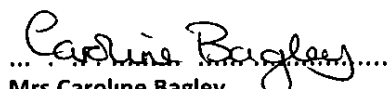
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 the EFA/DfE have been applied for the purposes intended

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

Approved by order of the members of the Strategic Board of trustees on 16 December 2013 and signed on its behalf by


Mrs Caroline Bagley
Chair of Strategic Board

TAPTON SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAPTON SCHOOL ACADEMY TRUST

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

This report is made solely to the 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 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 Trust's members for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditor

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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the trust's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the Seventeen month period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial seventeen month period for which the financial statements are prepared is consistent with the financial statements.

TAPTON SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAPTON SCHOOL ACADEMY TRUST

Matters on which we are required to report by exception

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

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

Philip Allsop (Senior Statutory Auditor)

for and on behalf of

Barber Harrison & Platt

Chartered Accountants
Statutory Auditors

2 Rutland Park
Sheffield
S10 2PD
16 December 2013

TAPTON SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO TAPTON SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 July 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tapton School Academy Trust during the Seventeen month period 1 April 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

Respective responsibilities of Tapton School Academy Trust's accounting officer and the reporting auditor

The Accounting Officer is responsible, under the requirements of Tapton School Academy Trust's funding agreement with the Secretary of State for Education dated 30 March 2012, and the Academies Financial Handbook extant from 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the Seventeen month period 1 April 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusion includes

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately,
- Review of the academy's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues,
- Ensure that EFA approval has been obtained for relevant transactions,
- Discussions with Governors, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

TAPTON SCHOOL ACADEMY TRUST

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO TAPTON SCHOOL ACADEMY TRUST AND
THE EDUCATION FUNDING AGENCY (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the Seventeen month period 1 April 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Philip Allsop (Senior Statutory Auditor)

for and on behalf of

Barber Harrison & Platt

Chartered Accountants
Statutory Auditors

2 Rutland Park
Sheffield
S10 2PD

16 December 2013

TAPTON SCHOOL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Incoming resources					
Incoming resources from generated funds					
Transfers from Local Authority on conversion	2	1,101,019	126,379	35,879,562	37,106,960
Other voluntary income	2	11,649	116,393	-	128,042
Activities for generating funds	3	561,433	93,861	-	655,294
Investment income	4	15,102	-	-	15,102
Incoming resources from charitable activities	5	24,726	21,195,782	187,280	21,407,788
Other incoming resources	6	37,732	346,357	-	384,089
Total incoming resources		1,751,661	21,878,772	36,066,842	59,697,275
Resources expended					
Costs of generating funds					
Fundraising expenses and other costs		597,592	37,514	-	635,106
Charitable activities	7	80,580	20,381,180	915,672	21,377,432
Governance costs	10	-	154,795	-	154,795
Total resources expended	7	678,172	20,573,489	915,672	22,167,333
Net incoming resources before transfers		1,073,489	1,305,283	35,151,170	37,529,942
Transfers between Funds	21	(326,418)	(158,032)	484,450	-
Net income for the year		747,071	1,147,251	35,635,620	37,529,942
Actuarial gains and losses on defined benefit pension schemes		-	(5,211,000)	-	(5,211,000)
Net movement in funds for the year		747,071	(4,063,749)	35,635,620	32,318,942
Total funds at 1 April 2012		-	-	-	-
Total funds at 31 August 2013		747,071	(4,063,749)	35,635,620	32,318,942

All of the Trust's activities derive from continuing operations in the current financial Seventeen month period

The Statement of Financial Activities includes all gains and losses recognised in the Seventeen month period

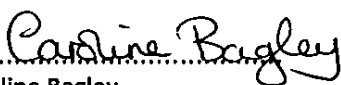
The notes on pages 24 to 48 form part of these financial statements

TAPTON SCHOOL ACADEMY TRUST
REGISTERED NUMBER 07697171

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
Fixed assets			
Tangible assets	17		35,635,620
Current assets			
Debtors	18	482,503	
Cash at bank and in hand		3,191,594	
		<u>3,674,097</u>	
Creditors: amounts falling due within one year	19	<u>(1,487,757)</u>	
Net current assets			<u>2,186,340</u>
Total assets less current liabilities			<u>37,821,960</u>
Creditors, amounts falling due after more than one year	20		<u>(106,018)</u>
Net assets excluding pension scheme liabilities			<u>37,715,942</u>
Defined benefit pension scheme liability	27		<u>(5,397,000)</u>
Net assets including pension scheme liabilities			<u><u>32,318,942</u></u>
Funds of the academy			
Restricted funds			
Restricted funds	21	1,333,251	
Restricted fixed asset funds	21	35,635,620	
		<u>36,968,871</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(5,397,000)</u>	
Total restricted funds			<u>31,571,871</u>
Unrestricted funds	21		<u>747,071</u>
Total funds			<u><u>32,318,942</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 16 December 2013 and are signed on their behalf, by

... 
Caroline Bagley
Chair of Strategic Board

The notes on pages 24 to 48 form part of these financial statements

TAPTON SCHOOL ACADEMY TRUST

CASH FLOW STATEMENT

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

		17 months ended 31 August 2013 £
	Note	
Net cash flow from operating activities	23	2,745,831
Returns on investments and servicing of finance	24	(14,902)
Capital expenditure and financial investment	24	(671,730)
Cash transferred on conversion to an academy trust	26	1,132,395
Increase in cash in the period		3,191,594

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

	17 months ended 31 August 2013 £
Increase in cash in the period	3,191,594
Movement in net funds in the period	3,191,594
Net funds at 31 August 2013	3,191,594

The notes on pages 24 to 48 form part of these financial statements

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

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

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

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

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

1. Accounting Policies (continued)

1.3 Incoming resources

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

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

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

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1. Accounting Policies (continued)

1.4 Resources expended

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

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 carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1 Accounting Policies (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term Leasehold Property	-	2 - 10% Straight line
Motor vehicles	-	20% Straight line
Fixtures and fittings	-	10% Straight line
Artificial pitch	-	10% Straight line
Computer equipment	-	20% - 33% Straight line

1.7 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 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 and the assets are held separately from those of the Trust.

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 quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1. Accounting Policies (continued)

1.9 Conversion to an academy trust

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

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

2. Voluntary income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Transfers from Local Authority on conversion	1,101,019	36,005,941	37,106,960
Donations	11,649	116,393	128,042
Voluntary income	1,112,668	36,122,334	37,235,002

3. Activities for generating funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Lettings	52,018	-	52,018
External Catering	33,085	53,625	86,710
Consultancy	72,484	-	72,484
Fees received	51,877	-	51,877
Other	351,969	40,236	392,205
	561,433	93,861	655,294

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

4. Investment income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank interest	15,102	-	15,102

5 Incoming resources from charitable activities

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Education	24,726	21,383,062	21,407,788

Funding for Trust's educational operations

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA grants			
General Annual Grant	-	20,551,800	20,551,800
Start up Grants	-	169,085	169,085
Other DfE/EFA grants	-	409,280	409,280
	-	21,130,165	21,130,165
Other government grants			
Other government grants non capital	24,726	252,897	277,623
	24,726	252,897	277,623
Other funding			
	-	-	-
	24,726	21,383,062	21,407,788

TAPTON SCHOOL ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013**

6 Other Incoming Resources

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Class Sales	25,002	-	25,002
Fees received from other schools	220	-	220
Parents Contributions	9,522	344,132	353,654
Resale of items to pupils	2,988	2,225	5,213
	<u>37,732</u>	<u>346,357</u>	<u>384,089</u>

7 Analysis of resources expended by expenditure type

	Staff costs 2013 £	Premises Costs 2013 £	Other costs 2013 £	Total 2013 £
Costs of Generating funds	120,088	-	515,018	635,106
<i>Costs of generating funds</i>	<u>120,088</u>	<u>-</u>	<u>515,018</u>	<u>635,106</u>
Direct costs	13,095,401	2,691,059	254,287	16,040,747
Support costs	1,758,405	-	3,578,280	5,336,685
<i>Charitable activities</i>	<u>14,853,806</u>	<u>2,691,059</u>	<u>3,832,567</u>	<u>21,377,432</u>
<i>Governance</i>	<u>87,110</u>	<u>-</u>	<u>67,685</u>	<u>154,795</u>
	<u>15,061,004</u>	<u>2,691,059</u>	<u>4,415,270</u>	<u>22,167,333</u>

TAPTON SCHOOL ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013**

8. Direct Costs

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Wages and salaries	102,810	10,986,155	11,088,965
National insurance	4,369	773,992	778,361
Pension cost	8,408	1,219,667	1,228,075
Educational supplies	49,507	1,132,577	1,182,084
Examination fees	-	298,354	298,354
Staff development	-	84,803	84,803
Security and transport	190	20,067	20,257
Technology costs	1,082	24,019	25,101
Pension finance cost	-	230,000	230,000
Other costs	-	188,425	188,425
Depreciation	30,001	886,321	916,322
Total	196,367	15,844,380	16,040,747

9. Support Costs

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Wages and salaries	9,603	1,474,108	1,483,711
National insurance	-	96,405	96,405
Pension cost	-	178,289	178,289
Staff development	-	14,392	14,392
Recruitment and other staff costs	-	110,271	110,271
Technology costs	-	536,304	536,304
Maintenance of premises and equipment	-	319,334	319,334
Cleaning	-	12,989	12,989
Rent and rates	-	53,296	53,296
Heat and light	7,127	153,559	160,686
Insurance	-	168,665	168,665
Security and transport	-	3,132	3,132
Catering	1,616	81,882	83,498
Office overheads	876	113,840	114,716
Educational supplies	-	32,730	32,730
Other costs	-	393,850	393,850
Legal and professional	-	18,200	18,200
(Profit)/Loss on disposal	-	(650)	(650)
Bank charges	-	341	341
PFI Property Costs	-	1,556,526	1,556,526
Total	19,222	5,317,463	5,336,685

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

10. Governance costs

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Internal audit costs	-	3,000	3,000
Auditors' remuneration	-	27,000	27,000
Legal and Professional	-	37,548	37,548
Other costs	-	137	137
Governance expense - wages and salaries	-	87,110	87,110
	-	154,795	154,795

11. Net incoming resources

This is stated after charging

	17 months ended 31 August 2013 £
Depreciation of tangible fixed assets - owned by the Trust	916,322

12. Auditors' remuneration

	17 months ended 31 August 2013 £
Fees payable to the Trust's auditor for the audit of the Trust's annual accounts	27,000

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

13. Staff costs

Staff costs were as follows

	17 months ended 31 August 2013 £
Wages and salaries	12,346,525
Social security costs	881,652
Other pension costs (Note 27)	1,417,849
	<hr/>
	14,646,026
Supply teacher costs	289,786
Compensation payments	125,192
	<hr/>
	15,061,004

The average number of persons (including the senior management team) employed by the Trust during the seventeen month period expressed as full time equivalents was as follows

	17 months ended 31 August 2013 No
Teachers	193
Administration & support	216
Management	31
	<hr/>
	440

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

	17 months ended 31 August 2013 No.
In the band £ 60,001 - £ 70,000	1
In the band £ 70,001 - £ 80,000	3
In the band £130,001 - £140,000	1
	<hr/>
	5

All of the above employees participated in the Teachers Pension Scheme. During the period ended 31 August 2013, pension contributions for these employees amounted to £68,179

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

14 Trustees' remuneration and expenses

The Headteachers and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteachers and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration during the seventeen month period, including pension contributions, fell within the following bands: D Bowes £210,000-£220,000, S Goodhead £10,000-£20,000, G delaney £10,000-£20,000, D Burnham £20,000-£30,000.

During the year, no Governors received any reimbursement of expenses.

15 Trustees' and Officers' Insurance

In accordance with normal commercial practice the schools have each purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Tapton School insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2013 was £761. Chaucer School insurance provides cover up to £5,300,000 on any one claim and the cost for the period ended 31 August 2013 was £627. Southey Green Primary School insurance provides cover up to £1,000,000 on any one claim and the cost for the Seventeen month period ended 31 August 2013 was £551. Meynell Community Primary School insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,242.

16 Other finance income

	17 months ended 31 August 2013 £
Expected return on pension scheme assets	63,000
Interest on pension scheme liabilities	(293,000)
	<hr/>
	(230,000)

TAPTON SCHOOL ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013**

17. Tangible fixed assets

	Long-term Leasehold Property £	Artificial Pitch £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost						
At 1 April 2012	-	-	-	-	-	-
Additions	227,893	-	48,563	200,762	200,512	677,730
Transfers on conversion	35,126,173	466,667	6,000	11,040	269,682	35,879,562
Disposals	-	-	(6,000)	-	-	(6,000)
At 31 August 2013	35,354,066	466,667	48,563	211,802	470,194	36,551,292
Depreciation						
At 1 April 2012	-	-	-	-	-	-
Charge for the Seventeen month period	669,767	46,667	8,204	14,090	177,594	916,322
On disposals	-	-	(650)	-	-	(650)
At 31 August 2013	669,767	46,667	7,554	14,090	177,594	915,672
Net book value						
At 31 August 2013	34,684,299	420,000	41,009	197,712	292,600	35,635,620

Long term leasehold property

Kier Asset Partnership Ltd were appointed to carry out valuations of the land and buildings transferred to the Trust. The valuations were carried out on 30 May 2013.

Inherited assets other than land and buildings

Fixtures and fittings, computer equipment and motor vehicles inherited on conversion have been shown at their assessed fair value.

The majority of furniture used by Tapton School is provided through the PFI agreement (see note 30) and will be inherited by the academy at the expiration of that contract.

18. Debtors

	2013 £
Trade debtors	86,098
Other debtors	5,350
Prepayments and accrued income	205,690
Tax recoverable	185,365
	<u>482,503</u>

TAPTON SCHOOL ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013**

**19. Creditors.
Amounts falling due within one year**

	2013 £
Trade creditors	127,367
Other taxation and social security	344,324
Other creditors	1,658
Accruals and deferred income	1,014,408
	<u>1,487,757</u>
	£

Deferred income

Resources deferred during the year	<u>161,914</u>
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At the balance sheet date the Trust was holding funds received in advance regarding devolved capital grants relating to 2013/14

**20 Creditors.
Amounts falling due after more than one year**

	2013 £
Other creditors	<u>106,018</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2013 £
Repayable other than by instalments	<u>106,018</u>

21. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	-	1,751,661	(678,172)	(326,418)	-	747,071

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

21. Statement of funds (continued)

Restricted funds

General Annual Grant (GAG)	-	20,164,781	(18,948,262)	(158,032)	-	1,058,487
Special needs funding	-	14,667	(14,667)	-	-	-
Pupil premium	-	610,532	(612,390)	-	-	(1,858)
Count Me In	-	167,757	(102,776)	-	-	64,981
Summer School	-	29,750	(11,107)	-	-	18,643
PTA	-	8,358	(8,358)	-	-	-
Authentic Biology	-	11,819	(11,819)	-	-	-
Early Years Funding	-	228,366	(182,891)	-	-	45,475
School Funds	-	420,742	(364,600)	-	-	56,142
Trust Funds	-	222,000	(130,619)	-	-	91,381
Pension reserve	-	-	(186,000)	-	(5,211,000)	(5,397,000)
	-	21,878,772	(20,573,489)	(158,032)	(5,211,000)	(4,063,749)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	-	36,066,842	(915,672)	484,450	-	35,635,620
Total restricted funds	-	57,945,614	(21,489,161)	326,418	(5,211,000)	31,571,871
Total of funds	-	59,697,275	(22,167,333)	-	(5,211,000)	32,318,942

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

Restricted general funds

General Annual Grant (GAG) - The Academy's principal funding stream received from the Education Funding Agency. This must be used to fund the normal running costs of the Academy for the benefit of existing students.

Special Needs Funding – Additional funding from the Local Authority to support specific “High Needs Pupils” above that which is already provided through the deprivation block of the schools budget share. Funding is banded, directly related to complexity of need and the nature of the provision required.

Pupil Premium - Additional funding from the EFA to allow schools to support their disadvantaged pupils and close the attainment gap between them and their peers. This funding is generally ringfenced for the use of such students only.

Count Me In – A grant given by the Local Authority in 2011 to support pupils who receive free school meals to “close the gap” by making progress in line with their peers and meeting their fullest potential. The majority of the grant is used for “out of school” activities giving disadvantaged pupils access to activities which would normally be unavailable to them.

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

21. Statement of funds (continued)

Summer School – Additional funding from the DfE to allow schools to design a summer school which supports FSM and LAC pupils to make a successful transition

PTA – this is funding donated by a school's Parent Teacher Association for specific resources. Departments within school make specific bids to the PTA who allocate monies from their fundraising efforts. School expenditure must be made in line with the bid. It should be noted that the PTA itself is an independent organisation to the academy, both legally and in accounting terms.

Authentic Biology – this is funding received from the Simon Langton Grammar School ('SLGS') in Kent as part of a national genetics research project. SLGS is the purseholder for the collective funding nationally. Tapton School periodically receives grants to fund its involvement in the project, which relates to understanding heart disease through the study of bodily tissue in fish.

Early Years Funding – given by the Local Authority to pay for the 15 hours free early education for all 3 and 4 year olds and some 2 year olds. Funding is based on a set hourly rate.

School Funds - money raised from parental contributions to cover the cost of school trips and various fundraising activities.

Trust Funds - various funds received by the Academy Trust to support the conversion of the individual schools and to build capacity in them.

Defined benefit pension liability - The deficit on the Local Government Pension Scheme has been recognised against restricted funds in order to match it against GAG as recommended by the EFA Accounts Direction.

Restricted fixed asset funds

Donation of assets on conversion - Assets donated to the Academy from the local authority on conversion.

Transfers

The transfer of £484,450 from the unrestricted general fund and the restricted GAG fund to the restricted fixed asset fund represents the funding of capital expenditure during the period from these two funds.

Unrestricted funds

The unrestricted funds represent funds available to the Trustees to apply for the general purposes of the academy.

Under the funding agreements with the Secretary of State, the academies were not subject to a limit on the amount of GAG that they could carry forward at 31 August 2013.

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

21 Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2013 were allocated as follows

Tapton School	1,255,989
Chaucer School	332,100
Southey Green Primary School	306,470
Meynell Primary School	94,383
Tapton School Academy Trust	91,381
	<hr/>
Total before fixed asset fund and pension reserve	2,080,323
Restricted fixed asset fund	35,635,620
Pension reserve	(5,397,000)
	<hr/>
Total	32,318,943
	<hr/>

Analysis of academies by cost

Expenditure incurred by each School during the period was as follows

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Tapton School	7,943,840	766,897	490,996	3,158,815	12,360,548
Chaucer School	3,382,779	669,203	288,349	1,820,063	6,160,394
Southey Green Primary School	1,200,204	185,052	42,455	451,576	1,879,287
Meynell Community Primary School	550,982	100,418	18,316	181,716	851,432
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	13,077,805	1,721,570	840,116	5,612,170	21,251,661
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	1,751,661	(678,172)	(326,418)	-	747,071
Restricted funds	-	21,878,772	(20,573,489)	(158,032)	(5,211,000)	(4,063,749)
Restricted fixed asset funds	-	36,066,842	(915,672)	484,450	-	35,635,620
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	59,697,275	(22,167,333)	-	(5,211,000)	32,318,942
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

22. Analysis of net assets between funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	35,635,620	35,635,620
Current assets	747,071	2,927,026	-	3,674,097
Creditors due within one year	-	(1,487,757)	-	(1,487,757)
Creditors due in more than one year	-	(106,018)	-	(106,018)
Provisions for liabilities and charges	-	(5,397,000)	-	(5,397,000)
	<u>747,071</u>	<u>(4,063,749)</u>	<u>35,635,620</u>	<u>32,318,942</u>

23 Net cash flow from operations

	Continuing £	Discontinued £	17 months ended 31 August 2013 Total £
Net incoming resources before revaluations	37,529,942	-	37,529,942
Returns on investments and servicing of finance	14,902	-	14,902
profit on disposal of fixed asset	(650)	-	(650)
Depreciation of tangible fixed assets	916,322	-	916,322
Increase in debtors	(482,554)	-	(482,554)
Increase in creditors	1,593,826	-	1,593,826
Increase in provisions	-	-	-
Cash transferred on conversion to an academy trust	(1,132,395)	-	(1,132,395)
FRS 17 adjustments	186,000	-	186,000
Fixed assets donated on conversion	(35,879,562)	-	(35,879,562)
Net cash inflow from operations			<u><u>2,745,831</u></u>

24. Analysis of cash flows for headings netted in cash flow statement

	17 months ended 31 August 2013 £
Returns on investments and servicing of finance	
Interest received	<u><u>(14,902)</u></u>

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

24 Analysis of cash flows for headings netted in cash flow statement (continued)

	17 months ended 31 August 2013 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(677,730)
Sale of tangible fixed assets	6,000
	<hr/>
Net cash outflow capital expenditure	(671,730)
	<hr/> <hr/>

25. Analysis of changes in net funds

	1 April 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	-	3,191,594	-	3,191,594
	<hr/>	<hr/>	<hr/>	<hr/>
Net funds	-	3,191,594	-	3,191,594
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

26 Conversion to academy trust status

The various schools converted to academy trust status under the Academies Act 2010, on the dates noted below and all the operations and assets and liabilities were transferred to Tapton School Academy Trust from the Sheffield City Council for £nil consideration

Tapton School - 1 April 2012
Chaucer School - 1 September 2012
Southey Green Primary School - 1 January 2013
Meynell Community Primary School - 1 April 2013

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

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

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	35,592,840	35,592,840
- Other tangible fixed assets	-	-	286,722	286,722
Budget surplus/(deficit) on LA funds	1,101,019	126,379	-	1,227,398
LGPS pension surplus/(deficit)	-	(5,203,000)	-	(5,203,000)
Net assets/(liabilities)	1,101,019	(5,076,621)	35,879,562	31,903,960

27 Pension commitments

The Trust's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Yorkshire Pension Fund Both are defined benefit schemes

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial Seventeen month period

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

27 Pension commitments (continued)

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

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

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

Teachers' Pension Scheme Changes

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

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

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

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

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

27. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the Seventeen month period ended 31 August 2013 was £747,000, of which employer's contributions totalled £575,000 and employees' contributions totalled £172,000. The agreed contribution rates for future years are 12% for employers and 5.5% to 7.5% for employees.

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

As described in note 26 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the Seventeen month period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

The amounts recognised in the Balance Sheet are as follows:

	17 months ended 31 August 2013 £
Present value of funded obligations	(7,153,000)
Fair value of scheme assets	1,756,000
Net liability	<u>(5,397,000)</u>

TAPTON SCHOOL ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013**

27 Pension commitments (continued)

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

	17 months ended 31 August 2013 £
Current service cost	(531,000)
Interest on obligation	(293,000)
Expected return on scheme assets	63,000
Past service cost	(19,893)
	<hr/>
Total	(780,893) <hr/>

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

	17 months ended 31 August 2013 £
Current service cost	531,000
Interest cost	293,000
Contributions by scheme participants	172,000
Actuarial Losses	69,000
Liabilities assumed in a business combination	6,103,000
Benefits paid	(15,000)
	<hr/>
Closing defined benefit obligation	7,153,000 <hr/>

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

27. Pension commitments (continued)

Movements in the fair value of the Trust's share of scheme assets

	17 months ended 31 August 2013 £
Expected return on assets	63,000
Actuarial gains and (losses)	61,000
Contributions by employer	575,000
Contributions by employees	172,000
Assets acquired in a business combination	900,000
Benefits paid	(15,000)
	<u>1,756,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £8,000

The Trust expects to contribute £574,000 to its Defined Benefit Pension Scheme in 2014

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

	2013
Equities	60.80 %
Government bonds	13.80 %
Other bonds	6.60 %
Property	9.50 %
Cash/liquidity	2.00 %
Other	7.30 %

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

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.86 %
Rate of increase in salaries	4.15 %
Rate of increase for pensions in payment / inflation	2.40 %
Inflation assumption (CPI)	2.40 %
Commutation of pensions to lump sums	50.00 %

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

27 Pension commitments (continued)

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

	2013
Retiring today	
Males	21.8
Females	24.7
Retiring in 20 years	
Males	23.7
Females	26.6

Amounts for the current period are as follows

Defined benefit pension schemes

	2013 £
Defined benefit obligation	(7,153,000)
Scheme assets	1,756,000
Deficit	(5,397,000)
Experience adjustments on scheme liabilities	(69,000)
Experience adjustments on scheme assets	61,000

28 Operating lease commitments

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

	Land and buildings 2013 £	Other 2013 £
Expiry date:		
Between 2 and 5 years	-	18,275

TAPTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SEVENTEEN MONTH PERIOD ENDED 31 AUGUST 2013

29 Finance commitments under PFI arrangements

The Tapton School building is subject to a PFI contract between the Academy and local authority which covers the facilities management costs including caretaking, cleaning, maintenance & repairs, water & sewerage, grounds maintenance and related insurances. The charge also covers the provision and renewal of fixtures & fittings. The same agreement also includes energy costs which are charged by the local authority to the Academy. The Academy has a commitment to pay annual costs under the PFI contract which expires in 2026. The amount payable during the year to 31 August 2014 is expected to be £966,109.

Tapton School is also committed to making annual payments under an ICT managed service agreement of approximately £221,496 per annum. This agreement is due to expire in 2015.

30. 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.

The following related party transaction took place in the period of account:

Mr D Bowes is also Executive Headteacher of Hillsborough Primary School and Forge Valley and during the period, income of £93,840 was received from these schools, relating to staff charges and miscellaneous expenses. At the period end, £Nil was due from the schools.

Mr D Bowes is also Executive Headteacher of Southey Green Primary School, and Meynell Community Primary School. Prior to their conversion, income of £60,750 and £58,214, was received from these schools respectively, this related to staff charges and miscellaneous expenses. At the period end, £Nil was due from the schools.