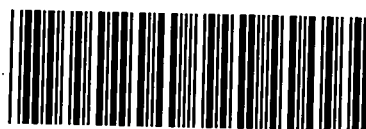


Company Registration No. 08100344 (England and Wales)

**TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## CONTENTS

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	Page
Reference and administrative details	1 - 2
Governors' report	3 - 14
Governance statement	15 - 17
Statement on regularity, propriety and compliance	18
Statement of Governors' responsibilities	19
Independent auditor's report on the accounts	20 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities	24
Balance sheet	25
Cash flow statement	26
Notes to the accounts	27 - 44

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# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

<b>Governors (who are also trustees)</b>	Julie Adkins	(Parent Governor)	
	Clare Blackhurst	(Staff Governor)	
	Trudy Boyle	(Community Governor)	
	Thomas Crotty	(Community Governor)	*#
	Avis France	(Parent Governor)	
	Judith Jennings	(Parent Governor)	
	Dawn Joyce	(Community Governor)	
	Sarah Lee	(Head Teacher)	*#
	Michael Lomas	(Parent Governor)	*
	Caryle Sinnott	(Staff Governor)	*
	Sally Sissons	(Community Governor)	#
	Philippa Smith	(Parent Governor)	
	Jane Stephens	(Parent Governor)	*
	Nigel Taylor	(Community Governor)	*#
	John Waddington	(Chair of Governors)	#
	Stephen Williams	(Community Governor)	
	Ronald Woodcock	(Community Governor)	(Resigned 10 February 2014)
	Harry Ziman	(Community Governor)	#
	Richard Gillard	(Staff Governor)	(Appointed 15 October 2013)
	Richard Needham	(Community Governor)	(Resigned 19 October 2013) *
	Benedick Cox	(Staff Governor)	(Resigned 20 September 2013)

\* members of the resources committee

# members of the strategic committee

### Members

Thomas Crotty  
Sarah Lee  
Sally Sissons  
Nigel Taylor  
John Waddington  
Harry Ziman

### Senior management team

- Deputy Head Teacher Liam Martin  
- Deputy Head Teacher Lyndsay Watterson  
- Assistant Head Teacher Paul Gildea  
- Assistant Head Teacher Jason Lowe  
- Assistant Head Teacher Christopher Nuttall  
- Strategic Business Manager Jonathan Hayes

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Company secretary** Jonathan Hayes

**Company registration number** 08100344 (England and Wales)

**Principal address** Eaton Road  
Tarporley  
Cheshire  
CW6 0BL  
United Kingdom

**Independent auditor** Hall Livesey Brown  
68 High Street  
Tarporley  
Cheshire  
CW6 0AT

**Bankers** Lloyds Bank plc  
8 Foregate Street  
Chester  
Cheshire  
CH1 1XP

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNORS' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2014**

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The Governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2013 to 31 August 2014.

### **Structure, governance and management**

#### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

Six Governors act as members of the Academy Trust for the Charitable activities of Tarporley High School and Sixth Form College Trust Limited and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Tarporley High School and Sixth Form College. All Governors are Trustees, and all Trustees are Governors.

Details of the members who served during the period are included in the reference and administration details on page 1.

#### Members' liability

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

#### Governors' indemnities

In accordance with normal commercial practice, the school purchased insurance to protect Members, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The limit of this indemnity is £2,000,000.

#### Principal activities

The principal activity is to advance education for the public benefit by establishing, maintaining, carrying on, managing and developing a secondary school offering a broad and balanced curriculum for students of different abilities between the ages of 11-18.

The Academy, as an outstanding school, has applied for, and been awarded Teaching School status effective from 30 September 2014 and will operate as Cheshire Vale Teaching School Alliance. The Activity of the Teaching School has had no material impact upon the financial activities of the Academy during the period 1 September 2013 to 31 August 2014. The principal activities of the Teaching School will be Initial Teacher Training/School Direct, CPD/Leadership Development, Succession Planning/Talent Management, School to School support, and Research and Development.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### Method of recruitment and appointment or election of Governors

On 1 August 2012 the Members appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy shall have the following Governors as set out in its Articles of Association and Funding Agreement:

- Up to 9 Community Governors who are appointed by the members
- 6 Parent Governors elected by parents of registered students at the school
- Up to 3 Staff Governors who are appointed by peer election
- The Head Teacher who is treated as an ex officio governor

Governors are appointed for a four year period, except that the time limit does not apply to the Head Teacher. Subject to remaining eligible to be a particular type of governor, any governor can be re-appointed or re-elected.

When appointing new governors, the members of the Academy Trust will give consideration to the skills and experience mix of the existing governors in order to ensure that the Board has the necessary skills to contribute fully to the school's development.

#### Policies and procedures adopted for the induction and training of Governors

There is a comprehensive CPD and induction programme made available to Governors by the Company Secretary and the Clerk to the Governing Body. The Governors have also appointed a named governor with responsibility for training. Governor development needs are identified on an individual basis and tailored to meet these needs and the needs of the Academy Trust.

#### Organisational structure

The stated vision of the Governing Body is:

#### **Challenging and Inspiring Governance**

“Driving a culture of excellence and achievement, to deliver outstanding outcomes for the whole school community”

The Governing Body meets four times per year, and in addition during the period 1 September 2013 to 31 August 2014 held an extra ordinary meeting to discuss and approve the Academy's Teaching School application. It establishes an overall framework for the governance of the school, determining the terms of reference, and members of the committees and other groups. The Governing body receives reports from committees, which it reviews and ratifies, it also monitors the activities of committees at its meetings.

There are five committees:

- Strategic Development: Strategic Direction of the Academy (also fulfils the role of the Audit Committee Function, ensuring compliance with reporting and regulatory requirements).
- Resources: Financial management, estates, health and safety and wider community partnerships.
- Student: Child Protection, safeguarding, safety, student behaviour, student attendance, monitoring of incidents, bullying and racist incidents.
- Staffing: performance management, CPD, staffing levels, appointments, salaries, work-life balance and personnel policies.
- Teaching and Learning: curriculum design and planning, monitoring of academic performance.

# **TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE**

## **GOVERNORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2014***

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The following decisions are reserved for Governors:

- To consider all changes to the status and constitution of the school and its committee structure
- To appoint the Chair and Vice-Chair
- To appoint the Head Teacher, Company Secretary and Clerk to the Governors
- To approve the Strategic Development Plan and budget.

The Governors are responsible for setting general policy, setting the strategic priorities/direction of the academy, adopting a development plan and budget, approving the statutory accounts, monitoring the school by use of budgets and other data, and making major decisions about the direction of the school, capital expenditure, and staff appointments.

The Governors have devolved responsibility for the day to day management of the school to the Headteacher, Deputy Headteachers, Strategic Business Manager and Assistant Headteachers (the Senior Leadership Team).

The school has a management structure which consists of the Governors and Senior Leadership Team. The aim of the leadership structure is to empower leaders at all levels within school to engage with the school's aims and priorities and drive forward improvement.

The Senior Leadership Team comprises the Headteacher, two Deputy Headteachers, the Strategic Business Manager and three Assistant Headteachers. The Senior Leadership Team operates at an executive level, implementing the policies and procedures agreed by the Governors, and reporting back to them on progress against targets and objectives. The Headteacher, Strategic Business Manager and Resources Committee are responsible for the authorisation of spending within agreed budgets. Departmental spending control is devolved to budget holders.

The Headteacher is responsible for the appointment of staff. Where appropriate a Governor will be included on the appointment panel.

The Headteacher is the accounting officer.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Risk management

The Governing Body undertakes a financial risk assessment annually, and maintains a business continuity plan to address different levels of potential disruption to the normal business operations of the Academy. The areas covered by this risk assessment are as follows:

1. Governance
2. Financial Planning and Budgetary Control
3. Payroll
4. Purchasing Arrangements
5. Payment of Invoices
6. Petty Cash Imprest
7. Inventory/School Assets
8. Income
9. Data Security
10. Insurance

The Governors have implemented a number of systems to assess and minimise these risks as part of its processes for internal controls. Where significant financial risk still remains they have ensured that adequate insurance cover is in place.

The Academy's roll for years 7 to 11 is stable, and analysis of student numbers from its partner primary schools indicate that the risks of revenue funding from a falling roll are slight. The Governors have identified that variations in Sixth Form recruitment are more difficult to predict, and projections for recruitment and retention are discussed regularly by the Governing Body and Senior Leadership Team.

The effects of announced reductions to post age 16 funding, the changes to the formula for funding schools as the government moves towards a national funding formula, the changes to special educational needs funding, and the increases in employment and premises costs due to pay awards and inflation mean that revenue funding streams will be constrained for the foreseeable future.

The Governing Body monitors the financial performance of the Academy formally every term, reviewing performance against budgets and overall expenditure via reports to the Resources Committee and the Full Governing Body. Governors also receive regular cashflow forecasts and ensure sufficient funds are available to meet the academy's ongoing financial commitments. Liquidity was maintained throughout the period.

At 31 August 2014, the Academy had no significant liabilities arising from trade creditors where there would be a significant effect on liquidity.

The most significant potential liability for the academy is the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in the notes to the Financial Statements. Having assessed the risk, Governors consider that as the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.



# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Connected organisations and related party relationships

The Academy has strong collaborative links with its partner primary schools, which have formed the Sandstone Partnership, to further the development of educational and CPD opportunities for all members stakeholder groups.

Tarporley High School and Sixth Form College is a strategic partner in the Cheshire Leadership and Teaching Alliance, working as part of the partnership to develop the next generation of teachers, school leaders and school improvement partnerships.

The Academy is also working with Chester University as part of their School Direct programme, recruiting and educating candidates to become qualified teachers in partnership with the University.

The Academy is also a member of REAP collaboration with three other secondary schools, Bishop Heber, Christleton and Neston. This partnership has a strong focus on CPD and sharing best practice across the participant schools to drive forward improvement.

Tarporley High School and Sixth Form College is a member of a Science Learning Partnership led by Chimney House Teaching School Alliance and has established a Cheshire West and Chester Science hub which is based at Tarporley High School and Sixth Form College. This operates as part of The Chimney House Alliance.

The Academy also has a parent teacher association which actively supports the work of the school.

There are no related parties with either control or significant influence on the decisions or operations of the school. There are no sponsors.

### **Objectives and activities**

#### Objects and aims

The Academy's vision is "Aspire, Learn, Achieve". It is the aim of the Academy to provide the very best learning and personal development opportunities for every young person that it serves. Its teaching and support staff are highly qualified, very skilled, and together share the strongest dedication to ensuring that all students are safe, wholeheartedly enjoying their learning, and achieve their full potential.

The Academy is keen to offer its students the opportunities to develop as confident, responsible and considerate individuals who excel and make a lasting contribution within and beyond their school life.

Partnership with parents and carers is very important to the Academy, and it works closely with them throughout a student's life to nurture their aspirations, their learning and their achievement.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Objectives, strategies and activities

The Governing Body has agreed the following six areas as strategic priorities for the academy:

- Raising Achievement for all - All individuals and all groups (including Pupil Premium (Ever 6, CLA, Service Child), Gifted and Talented, KS2 level 4 students, SEN, Gender) fulfil or exceed their potential.
- Re-imagining the Curriculum - A Curriculum where teachers are empowered to use their subject expertise to develop excellent programmes of study so that the needs and aspirations of our students are realised.
- Improving Learning - A shared understanding of great learning which provides freedom to innovate and take risks, empowering teachers to lead and shape learning for all. Expectations of effective learning are stretched for all.
- Developing Staff - A dynamic and aspirational culture in which staff are empowered to lead and shape the education of young people.
- Unlocking Student Potential - All students in school are empowered to take ownership of the development of their skills and their own learning through enhanced opportunities.
- Growing the School - To grow our profile and to maximise the resources available to the school so that we provide the best possible learning experiences for our students.

### Public benefit

The Academy has complied with its duty to have due regard to the guidance on public benefit as per Appendices GL49 of the Charities SORP:

"Public benefit entities are reporting entities whose primary objective is to provide goods or services for the general public or social benefit and where any equity has been provided with a view to supporting that primary objective rather than with a view to providing financial return to shareholders"

This is continually monitored by the Governing Body through its delegated committees.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Strategic Report

#### Achievements and performance

##### Achievements in the year

The Academy was inspected by OfSTED on 5th and 6th March 2014, and was judged outstanding overall, and in each of the four key areas:

- Achievement of Pupils
- Quality of Teaching
- Behaviour and Safety of Pupils
- Leadership and Management

The Academy's Sixth Form was judged to be especially outstanding by the inspection team.

Public examination results by our students were once again excellent. These results are summarised below:

#### GCSE

- Attainment remains significantly above the national average
- % of students achieving 5 A\*-C including English and Maths:
  - o 81% achieved this milestone (previous best was 77%)
  - o Second highest in Cheshire West and Chester
  - o Highest based on first entry
- Record A\* grades
- Excellent Maths and English results in terms of all key measures (A\*-C, 3 levels of progress and 4 levels of progress)
- English and Maths results improved on the high standards of 2013 in all key measures.
- Pupil Premium gap continues to narrow in most areas (slightly disappointing in Maths-specific measures)
- Special Educational Needs (SEN) - The attainment of students with SEN was significantly above the national average in 2013 and this continued in 2014.
- Gender gap-
  - o Girls outperform boys on all key measures
  - o Performance of the boys was slightly down on 2013 (except English)

#### A Level

- High levels of attainment compared to national averages:
- Attainment high relative to Local Authority schools and colleges:
  - o 100% pass rate
  - o Second highest average grades in Cheshire West and Chester
  - o Third highest A\*-B in Cheshire West and Chester
- Progress against targets was excellent for A\*/A and A\*-B. FFT A-C challenge narrowed.
- Completion rates, achievement rates and retention rates are good relative to national averages.
- 85% of students accepted into their first choice university.

Our students continue to perform significantly above local and national average achievement rates.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Key performance indicators

The main financial performance indicator for the Academy is the level of reserves held at 31 August 2014. It is the Academy's management policy that in general terms the income received in any one year is spent for the benefit of those children in school that year, with provision also made for a contingency for "un-foreseen" events.

During the financial year 2013-14, monthly management monitoring of budgets has been within projected spending levels, and a positive cashflow has been maintained throughout the period.

The formula for funding academies is primarily based upon student numbers and this is also a key performance indicator. The budget for 2013-14 was based upon a roll of 1,023 including Sixth Form students in January 2013. This comprised 859 students in Year's 7 to 11, actual numbers of students for the period were 860, a virtual standstill position. Sixth Form numbers are more susceptible to variation, due to the choice element and these numbers are kept under regular review.

### Going concern

After making appropriate enquiries, the board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of Governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **Financial review**

The largest proportion of the Academy's income is obtained from the DfE, via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted for defined purposes. The grants received from the DfE during the period 1 September 2013 to 31 August 2014 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities

For the financial period which ended 31 August 2014, the total expenditure of the Academy did not exceed the sum of the recurrent grant funding from the DfE and other incoming resources.

The net book value of fixed assets and movements in tangible fixed assets are shown in the notes to the financial statements for the financial period to 31 August 2014. These assets were used exclusively for providing education and the associated support services to the students of the Academy.

The land buildings and other assets were transferred to the Academy upon conversion. The land and buildings were professionally valued at that time. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

As required, upon conversion the Academy has taken responsibility for the deficit in the Local Government Pension Scheme (LGPS) in respect of its Support Staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in the notes to the financial statements.

The Academy's Handbook of Internal Procedures sets out the framework for financial management, including the financial responsibilities of the Trustees, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. This handbook is kept under review to ensure that the Academy has effective and appropriate systems of financial control.

Governors have appointed Hall Livesey Brown to undertake internal checks on financial controls. During the period 3 internal checks were undertaken covering the following areas:

### **Visit 1 - Winter Term 2013**

- 1) School fund checks inc school visits
- 2) Purchasing
- 3) Internal financial control
- 4) Income
- 5) Banking & petty cash
- 6) Personnel
- 7) Stock and assets
- 8) Insurance cover
- 9) Computer security

### **Visit 2 – Spring term 2014**

- 1) Purchase testing (including tendering)
- 2) Wages testing
- 3) Credit card
- 4) Insurance review

### **Visit 3 – Summer term 2014**

- 1) Income testing
- 2) Bank/cash
- 3) Internal financial control – segregation of duties
- 4) Ensure any weaknesses previously highlighted have been tightened
- 5) Computer security

In addition stock checks were undertaken at the year end.

No matters of significance were identified.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Principal risks and uncertainties

The principal risks and uncertainties facing the academy trust relate to the national changes to the formula for funding schools which will be introduced from 2013-14. The main element of risk being that relating to funding for students with special educational needs, which is expected to have a significant negative effect on funding.

Student recruitment is another area of risk, as the funding formula is based upon student numbers in different key stages on roll. Recruitment analysis of our partner primary schools indicates a stability in student numbers, allied to significant housing developments within the school's catchment area, minimising the risk of falling rolls in Years 7 to 11. Sixth Form recruitment, due to there being a more fluid "market" in operation (in terms of the offers made by schools with sixth forms and sixth form colleges), means that post 16 recruitment is an area of risk which is closely monitored by the academy.

Other risks and uncertainties which the Academy may face are:

Financial:- the Academy receives the majority of its funding from the Government via the EFA. Whilst the expectation exists that this funding will continue, Government Policy or practice may change and public funding may not remain at the level or indeed be distributed by the same formula.

Failures in governance or management: - risk arises in this area from the potential failure to effectively manage the finances of the Academy, internal controls, compliance with regulations and legislation or statutory returns. Through the monitoring and review systems in place Governors ensure appropriate measures are in place to mitigate risks.

Reputational: - the Academy's continued success is dependent on its ability to attract applicants in sufficient numbers by maintaining the highest of educational standards. Governors ensure that the quality of teaching and learning is at the core of everything the academy does. Student success, achievement and progress are monitored closely, reviewed and celebrated.

Safeguarding and child protection:- the Governors continue to ensure that safeguarding and child protection within the Academy are maintained to the highest standard. They do this through robust selection processes, and the monitoring and training of staff, ensuring that effective child protection, health and safety and pupil discipline policies and procedures are in place.

Staffing: - the Academy's reputation and success is built on the quality of its staff. Governors have put in place policies and procedures to ensure the continued development and training of all staff, putting in place plans for succession.

Fraud and mismanagement of funds: - The Academy has appointed Auditors to undertake regular checks on financial systems and records as required by the Academy Financial Handbook. The Academy's Finance Team receive training specific to their roles to keep them up to date with financial practice requirements and develop the skills required to undertake their roles.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Financial and risk management objectives and policies

The Academy incorporates an assessment of risk, both financial and otherwise, within its procedures for Financial Management. This incorporates a formal Financial Management Risk Assessment. In addition the Academy recognises the need to make provision in the event of a major incident which may disrupt normal operations, and this is formalised in a Business Continuity Plan.

The Governors continually assess the major risks to which the Academy may be exposed, focusing on those relating to its finances, teaching and learning, the safeguarding of children, capital infrastructure and other operational areas. The Governors have put in place a robust system of internal controls to evaluate and reduce any risks which are identified. Where significant risk still remains adequate insurance cover has been put in place.

The Academy's 11 – 16 roll remains stable, and analysis of student numbers within our partner schools indicates that the risks from a falling roll are small. Sixth Form numbers can however vary and this area of risk is kept under review by the Governors and the Senior Leadership Team. Detailed analysis is also undertaken of other areas of pupil related funding where turbulence exists due to formula changes, these include Sixth Form Funding and funding provision for students with special educational needs. Increasing employment and facilities costs, aligned with the ongoing austerity measures, mean that budgets will be challenging for the foreseeable future.

Governors review the financial health of the academy formally at least once per term, reviewing performance against budgets and overall expenditure by means of reports to the Full Governing Body and Resources Committee meetings. These reports include a cash flow analysis and forecasts, to provide reassurance to Governors that sufficient funds are held to cover all known and anticipated financial commitments.

The key financial balances that the academy deals with are largely bank balances and trade creditors with limited trade and other debtors and therefore its exposure to financial risk is considered to be minimal.

However the academy does have to carry the deficit on the local government defined pension scheme on its balance sheet which at 31 August 2014 amounted to £1,068,000. The deficit is being addressed by the Pension Fund Administrators and is likely to result in increased costs to the academy over time by way of increased employer contributions.

### Reserves policy

The academy currently holds £831,798 of unrestricted reserves. The Governors have decided that elements of the unrestricted reserves will be utilised to support over the coming period:

- Liquidity
- The Academy's Capital Programme including its ongoing bid for CIF funding
- Allow the academy to manage the effects of known and unknown funding fluctuations

Given the amount of capital investment required to support the Academy's Capital Programme, the trustees have not as yet determined an appropriate minimum level of reserves.

### Investment policy and powers

The academy's investment policy is consistent with its charitable status. Investments must always be made in accordance with written procedures adopted by the Governing Body and must always ensure the maximum integrity of such investments.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Plans for the future

The Governors have agreed a new vision statement for the academy - ASPIRE LEARN ACHIEVE:

#### ASPIRE

Encourage our young people to realise their hidden potential and to fulfil their aspirations by helping them to strive for their best on both a personal and academic level.

#### LEARN

Strive to nurture and develop successful learners for the future, equipped with the skills that will enable them to prosper and achieve in the 21st Century.

#### ACHIEVE

All members of our school community are encouraged to grow as individuals and achieve success on both an academic and personal level.

This vision is translated into the academy's 3 year School Development Plan, with its six priorities:

- Raising Achievement for all
- Re-imagining the Curriculum
- Improving Learning
- Developing Staff
- Unlocking Student Potential
- Growing the School

The academy has an emergent five year estate development plan, which encompasses ongoing refurbishment of our existing facilities and bids for capital funding to the EFA to improve our facilities and increase the capacity of the school to meet demands within our locality.

### Funds held as custodian trustee

The Academy and its Governors do not act as the Custodian of any other Charity.

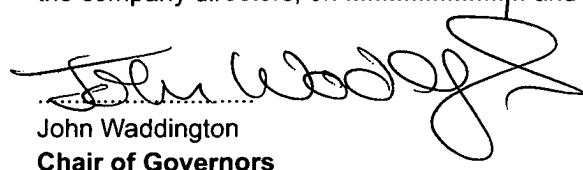
### Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Hall Livesey Brown be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the board of Governors, as the company directors, on 16 December 2014 and signed on its behalf by:

  
John Waddington  
Chair of Governors



# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Tarporley High School And Sixth Form College 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 Governors has delegated the day-to-day responsibility to the Head Teacher, 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 Tarporley High School And Sixth Form College and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of Governors has formally met 5 times during the year. Attendance during the year at meetings of the board of Governors was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Julie Adkins	4	5
Clare Blackhurst	5	5
Trudy Boyle	4	5
Thomas Crotty	1	5
Avis France	5	5
Judith Jennings	2	5
Dawn Joyce	2	5
Sarah Lee	5	5
Michael Lomas	5	5
Caryle Sinnott	5	5
Sally Sissons	3	5
Philippa Smith	2	5
Jane Stephens	4	5
Nigel Taylor	4	5
John Waddington	5	5
Stephen Williams	3	5
Ronald Woodcock	0	2
Harry Ziman	2	5
Richard Gillard	4	4
Richard Needham	1	1
Benedick Cox	0	0

Benedick Cox resigned on 20 September 2013 and no meetings had taken place before this date.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

The Resources committee is a sub-committee of the main board of Governors. Its purpose is to monitor the financial administration of the school to ensure efficient and effective use of funds in accordance with current regulations by discussion, review and challenge at its meetings.

Attendance at the resources committee meetings in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Thomas Crotty	1	4
Sarah Lee	1	4
Michael Lomas	4	4
Caryle Sinnott	4	4
Jane Stephens	2	4
Nigel Taylor	4	4
Richard Needham	1	1

The Governors of the Academy decided that The Strategic Development Committee of the board of trustees would also act as the audit committee. Its purpose is to ensure that the financial responsibilities of the governing body are being properly discharged; resources are managed in an efficient, economical and effective manner; and sound systems of internal control are being maintained.

Attendance at the strategic development committee meetings in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Thomas Crotty	0	1
Sarah Lee	1	3
Sally Sissons	3	3
Nigel Taylor	2	3
John Waddington	3	3
Harry Ziman	3	3

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Tarporley High School And Sixth Form College for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of Governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of Governors has considered the need for a specific internal audit function and has decided to appoint Hall Livesey Brown, the external auditor, to carry out the internal audit function.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The reviewer reports to the board of Governors on the operation of the systems of control and on the discharge of the financial responsibilities of the board of Governors.

This is achieved by carrying out tailored audit tests on the systems of internal controls; reporting to the governors the results of the tests; and attending Resources Committee, Strategic Development Committee or Full Governing Body Meetings as required.

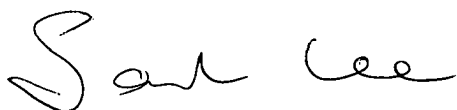
### **Review of effectiveness**

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

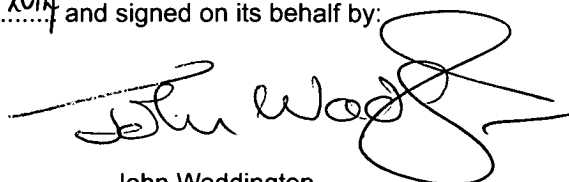
- the work of Hall Livesey Brown (internal and external auditors);
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Strategic Development committee and a plan to address any noted weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of Governors on 16 December 2014 and signed on its behalf by:



Sarah Lee  
Accounting Officer



John Waddington  
Chair of Governors

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2014**

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As accounting officer of Tarporley High School and Sixth Form College I have considered my responsibility to notify the Academy Trust board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Approved on 16 December 2014 and signed by:



Sarah Lee  
Accounting Officer

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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The trustees (who act as governors for Tarporley High School and Sixth Form College and are also the directors of Tarporley High School and Sixth Form College for the purposes of company law) are responsible for preparing the Governors' Report and the accounts 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of Governors on 16 December 2014 and signed on its behalf by:



John Waddington  
Chair of Governors

# **TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE**

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We have audited the accounts of Tarporley High School and Sixth Form College for the year ended 31 August 2014 set out on pages 24 to 44. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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

#### **Respective responsibilities of Governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 19, the Governors, who are also the directors of Tarporley High School and Sixth Form College for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts**

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

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

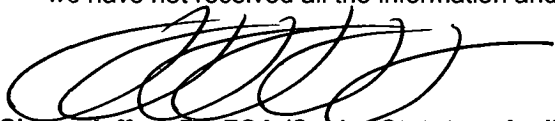
### TO THE MEMBERS OF TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

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#### 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Simon Jeffrey BA FCA (Senior Statutory Auditor)**  
**Hall Livesey Brown**

#### Chartered Accountants

#### Statutory Auditor

68 High Street

Tarporley

Cheshire

CW6 OAT

Dated: 18.12.2014

# **TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 08 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tarporley High School and Sixth Form College during the period 1 September 2013 to 31 August 2014 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 Tarporley High School and Sixth Form College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Tarporley High School and Sixth Form College 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 the Tarporley High School and Sixth Form College and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Tarporley High School and Sixth Form College's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Tarporley High School and Sixth Form College's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook, extant from 1 September 2013, 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 2014. 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 period 1 September 2013 to 31 August 2014 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 2014 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 Trust's income and expenditure.



# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE AND THE EDUCATION FUNDING AGENCY (CONTINUED)

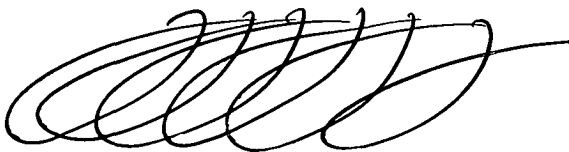
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The work undertaken to draw to our conclusion includes:

- A review of the internal control handbook ensuring that the necessary controls are implemented and are working as stated.
- Confirming that guidance set by the EFA, within the Accounts Direction 2014 and the Academies Financial Handbook 2013, has been adhered to.
- Ensuring expenditure does not contravene the funding agreement.
- Ensuring public funds have not been used for public benefit.
- Ensuring any connected party transactions are highlighted and the not for profit principles have been adhered to.
- Reviewing relevant Governing Body and committee meeting minutes.
- Reviewing the financial transactions for any unusual transactions which may be improper.
- Ensuring key staff and governors have declared their interests in related parties.

### 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 period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Jeffrey BA FCA  
**Reporting Accountant**  
Hall Livesey Brown

Dated: 18.12.2014

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2014 £	Total 2013 £
<b>Incoming resources</b>	<b>Notes</b>					
<i>Resources from generated funds</i>						
- Voluntary income	2	5,503	22,160	-	27,663	12,609
- Inherited on conversion		-	-	-	-	8,752,501
- Activities for generating funds	3	167,161	29,539	-	196,700	147,471
- Investment income	4	1,394	-	-	1,394	883
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	38,000	4,911,460	-	4,949,460	5,444,800
<b>Total incoming resources</b>		<b>212,058</b>	<b>4,963,159</b>	<b>-</b>	<b>5,175,217</b>	<b>14,358,264</b>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
- Fundraising trading	6	-	1,052	-	1,052	-
<i>Charitable activities</i>						
- Educational operations	7	-	4,949,508	222,820	5,172,328	5,228,619
Governance costs	8	-	62,429	-	62,429	86,413
<b>Total resources expended</b>	<b>6</b>	<b>-</b>	<b>5,012,989</b>	<b>222,820</b>	<b>5,235,809</b>	<b>5,315,032</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>212,058</b>	<b>(49,830)</b>	<b>(222,820)</b>	<b>(60,592)</b>	<b>9,043,232</b>
Gross transfers between funds		-	(220,380)	220,380	-	-
<b>Net income/(expenditure) for the year</b>		<b>212,058</b>	<b>(270,210)</b>	<b>(2,440)</b>	<b>(60,592)</b>	<b>9,043,232</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(658,000)	-	(658,000)	47,000
<b>Net movement in funds</b>		<b>212,058</b>	<b>(928,210)</b>	<b>(2,440)</b>	<b>(718,592)</b>	<b>9,090,232</b>
Fund balances at 31 August 2013		619,740	12,494	8,457,998	9,090,232	-
<b>Fund balances at 31 August 2014</b>		<b>831,798</b>	<b>(915,716)</b>	<b>8,455,558</b>	<b>8,371,640</b>	<b>9,090,232</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

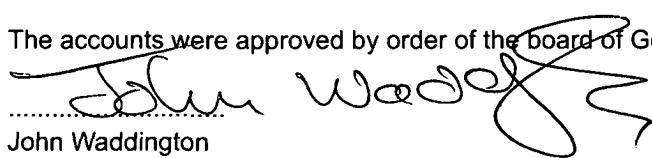
## BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	11	8,455,558	8,457,998
<b>Current assets</b>			
Stocks	12	9,354	17,633
Debtors	13	176,485	171,835
Cash at bank and in hand		1,147,054	1,025,239
		<u>1,332,893</u>	<u>1,214,707</u>
Creditors: amounts falling due within one year	14	(348,811)	(205,473)
<b>Net current assets</b>		<u>984,082</u>	<u>1,009,234</u>
<b>Total assets less current liabilities</b>		<u>9,439,640</u>	<u>9,467,232</u>
Defined benefit pension liability	18	(1,068,000)	(377,000)
<b>Net assets</b>		<u><u>8,371,640</u></u>	<u><u>9,090,232</u></u>
<b>Funds of the Academy Trust:</b>			
<b>Restricted income funds</b>	16		
- Fixed asset funds		8,455,558	8,457,998
- General funds		152,284	389,494
- Pension reserve		(1,068,000)	(377,000)
<b>Total restricted funds</b>		<u>7,539,842</u>	<u>8,470,492</u>
<b>Unrestricted funds</b>	16	<u>831,798</u>	<u>619,740</u>
<b>Total funds</b>		<u><u>8,371,640</u></u>	<u><u>9,090,232</u></u>

The accounts were approved by order of the board of Governors and authorised for issue on

16 December 2014

  
John Waddington  
Chair of Governors

Company Number 08100344

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	19	340,801	590,421
Cash funds transferred on conversion		-	513,372
<b>Returns on investments and servicing of finance</b>			
Investment income		1,394	883
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		1,394	883
		342,195	1,104,676
<b>Capital expenditure and financial investments</b>			
Payments to acquire tangible fixed assets		(220,380)	(79,437)
<b>Net cash flow from capital activities</b>		(220,380)	(79,437)
<b>Increase/(decrease) in cash</b>	20	121,815	1,025,239

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently is set out below.

#### **1.2 Going concern**

The Governors 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 company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the accounts.

#### **1.3 Incoming resources**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### **Grants receivable**

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**

Sponsorship income provided to the Academy 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 the value of the donation is measurable.

##### **Donations**

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

##### **Other income**

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

##### **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy 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 Academy Trust's policies.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 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

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

##### Charitable activities

These are costs incurred on the Academy Trust's educational operations.

##### Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

#### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on 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 Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a [straight-line/reducing balance] basis over its expected useful life, as follows:

Land and buildings	2% Straight line
Computer equipment	25% Straight line
Fixtures, fittings & equipment	15-20% Straight line
Motor vehicles	25% Straight line

#### 1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.7 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **1 Accounting policies**

**(Continued)**

#### **1.8 Taxation**

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

#### **1.9 Pensions benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy 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 Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the Academy 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 are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 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 until 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.

#### **1.10 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education, sponsor, other funders 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 Education Funding Agency, Department for Education.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Student placement funding	-	22,160	22,160	7,334
Other donations	5,503	-	5,503	5,275
	<u>5,503</u>	<u>22,160</u>	<u>27,663</u>	<u>12,609</u>

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	8,985	-	8,985	6,581
Catering income	19,476	-	19,476	15,985
School fundraising events	627	-	627	1,760
Transport contributions	-	29,539	29,539	47,261
Other income	138,073	-	138,073	75,884
	<u>167,161</u>	<u>29,539</u>	<u>196,700</u>	<u>147,471</u>

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Short term deposits	1,394	-	1,394	883
	<u>1,394</u>	<u>-</u>	<u>1,394</u>	<u>883</u>



# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 5 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	4,714,897	4,714,897	5,164,908
Other DfE / EFA grants	-	105,851	105,851	73,610
	-	4,820,748	4,820,748	5,238,518
<b>Other government grants</b>				
Local authority grants	-	90,712	90,712	206,282
<b>Other funds</b>				
Other incoming resources	38,000	-	38,000	-
<b>Total funding</b>	38,000	4,911,460	4,949,460	5,444,800

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2014 £	Total 2013 £
<b>Academy's educational operations</b>					
- Direct costs	3,357,269	-	244,880	3,602,149	3,682,046
- Allocated support costs	707,963	444,210	418,006	1,570,179	1,546,573
	4,065,232	444,210	662,886	5,172,328	5,228,619
<b>Other expenditure</b>					
Costs of activities for generating funds	-	-	1,052	1,052	-
Governance costs	-	-	62,429	62,429	86,413
	-	-	63,481	63,481	86,413
<b>Total expenditure</b>	4,065,232	444,210	726,367	5,235,809	5,315,032

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 6 Resources expended

(Continued)

Incoming/outgoing resources for the year include:	2014 £	2013 £
Operating leases		
- Plant and machinery	31,757	10,203
Fees payable to auditor		
- Audit	12,000	12,000
- Other services	2,275	3,570
	<u>          </u>	<u>          </u>

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	3,332,405	3,332,405	3,406,221
Technology costs	-	108,064	108,064	97,600
Educational supplies and services	-	54,502	54,502	59,919
Examination fees	-	81,350	81,350	97,497
Staff development	-	24,864	24,864	19,705
Other direct costs	-	964	964	1,104
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	-	3,602,149	3,602,149	3,682,046
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Allocated support costs</b>				
Support staff costs	-	707,963	707,963	678,232
Depreciation	-	222,820	222,820	235,568
Technology costs	-	9,368	9,368	9,648
Recruitment and support	-	9,193	9,193	19,285
Maintenance of premises and equipment	-	221,390	221,390	184,216
Cleaning	-	77,868	77,868	83,926
Energy costs	-	107,180	107,180	100,134
Rent and rates	-	34,132	34,132	37,480
Insurance	-	47,088	47,088	68,783
Security and transport	-	45,972	45,972	49,075
Catering	-	17,944	17,944	18,742
Interest and finance costs	-	2,000	2,000	11,000
Other support costs	-	67,261	67,261	50,484
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	-	1,570,179	1,570,179	1,546,573
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total costs</b>	-	5,172,328	5,172,328	5,228,619
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	50,264	50,264	74,244
Auditor's remuneration				
- Audit of financial statements	-	12,000	12,000	12,000
Support staff costs	-	165	165	169
	-	62,429	62,429	86,413

### 9 Staff costs

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:

	2014 Number	2013 Number
Teachers	71	70
Administration and support	22	44
	93	114

#### Costs included within the accounts:

	2014 £	2013 £
Wages and salaries	3,199,271	3,270,195
Social security costs	231,745	246,027
Other pension costs	510,598	529,091
	3,941,614	4,045,313
Supply teacher costs	88,585	30,774
Staff development and other staff costs	35,033	28,071
Total staff costs	4,065,232	4,104,158

The number of employees whose annual remuneration was £60,000 or more was:

	2014 Number	2013 Number
£65,000 - £70,000	1	2
£95,000 - £100,000	1	1
£70,001 - £75,000	1	-

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 9 Staff costs

(Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2014	2013
Teachers' Pension Scheme	Numbers	3	3
	£	33,635	35,136
		<u>          </u>	<u>          </u>

#### 10 Governors' remuneration and expenses

The headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as Governors. No payments were made to other governors during the period.

The value of Governors' remuneration was as follows:

S Lee (headteacher)	£95,001 - £100,000
C Blackhurst (staff)	£40,001 - £45,000
C Sinnott (staff)	£20,001 - £25,000
R Gillard (Staff)	£40,001 - £45,000
B Cox (staff)	£3,501 - £4,000

Included in the figures noted above, the salary figure for B Cox is for 1 month only due to his resignation on 20 September 2013. The salary figure for R Gillard is for 11 months only as he was appointed on 15 October 2013.

#### Governors' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 is included within the total insurance cost.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2013	8,361,581	180,463	118,637	32,885	8,693,566
Additions	183,278	-	11,507	25,595	220,380
At 31 August 2014	8,544,859	180,463	130,144	58,480	8,913,946
<b>Depreciation</b>					
At 1 September 2013	162,500	44,914	19,248	8,906	235,568
Charge for the year	151,232	45,116	18,251	8,221	222,820
At 31 August 2014	313,732	90,030	37,499	17,127	458,388
<b>Net book value</b>					
At 31 August 2014	8,231,127	90,433	92,645	41,353	8,455,558
At 31 August 2013	8,199,081	135,549	99,389	23,979	8,457,998

The land and buildings transferred on conversion were independently professionally valued by Mason Owen Chartered Surveyors and were included in the financial statements at their depreciated replacement valuation as at 1 August 2012. The Governors are of the opinion that the value of the land and buildings has not changed materially since this date and no further revaluations are considered necessary in the financial statements for the year ended 31 August 2014 as a result.

Included within freehold land and buildings is land valued at £800,000.

### 12 Stocks

	2014 £	2013 £
School uniform	9,354	17,633

### 13 Debtors

	2014 £	2013 £
Trade debtors	9,324	7,288
VAT recoverable	73,646	78,875
Prepayments and accrued income	93,515	85,672
	176,485	171,835

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

<b>14 Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	27,109	25,783
Taxes and social security costs	81,606	67,699
Other creditors	48,760	61,790
Accruals	154,389	23,025
Deferred income	36,947	27,176
	<u>348,811</u>	<u>205,473</u>
	<u><u>348,811</u></u>	<u><u>205,473</u></u>
<b>15 Deferred income</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	36,947	27,176
	<u>36,947</u>	<u>27,176</u>
	<u><u>36,947</u></u>	<u><u>27,176</u></u>
Total deferred income at 1 September 2013	27,176	-
Amounts credited to the statement of financial activities	(27,176)	-
Amounts deferred in the year	36,947	27,176
	<u>36,947</u>	<u>27,176</u>
<b>Total deferred income at 31 August 2014</b>	<b><u>36,947</u></b>	<b><u>27,176</u></b>

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 16 Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
<b>Restricted general funds</b>					
General Annual Grant	30,007	4,714,897	(4,372,240)	(220,380)	152,284
Other DfE / EFA grants	73,610	105,851	(179,461)	-	-
Other government grants	206,282	90,712	(296,994)	-	-
Other restricted funds	79,595	51,699	(131,294)	-	-
	<u>389,494</u>	<u>4,963,159</u>	<u>(4,979,989)</u>	<u>(220,380)</u>	<u>152,284</u>
Funds excluding pensions					
Pension reserve	(377,000)	-	(33,000)	(658,000)	(1,068,000)
	<u>12,494</u>	<u>4,963,159</u>	<u>(5,012,989)</u>	<u>(878,380)</u>	<u>(915,716)</u>
<b>Restricted fixed asset funds</b>					
Depreciation charge	(235,568)	-	(222,820)	-	(458,388)
Inherited fixed asset fund	8,614,129	-	-	-	8,614,129
Capital expenditure from GAG or other funds	79,437	-	-	220,380	299,817
	<u>8,457,998</u>	<u>-</u>	<u>(222,820)</u>	<u>220,380</u>	<u>8,455,558</u>
<b>Total restricted funds</b>	<u>8,470,492</u>	<u>4,963,159</u>	<u>(5,235,809)</u>	<u>(658,000)</u>	<u>7,539,842</u>
<b>Unrestricted funds</b>					
General funds	<u>619,740</u>	<u>212,058</u>	<u>-</u>	<u>-</u>	<u>831,798</u>
<b>Total funds</b>	<u>9,090,232</u>	<u>5,175,217</u>	<u>(5,235,809)</u>	<u>(658,000)</u>	<u>8,371,640</u>

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2014 are represented by:</b>				
Tangible fixed assets	-	-	8,455,558	8,455,558
Current assets	831,798	501,095	-	1,332,893
Creditors: amounts falling due within one year	-	(348,811)	-	(348,811)
Defined benefit pension liability	-	(1,068,000)	-	(1,068,000)
	<u>831,798</u>	<u>(915,716)</u>	<u>8,455,558</u>	<u>8,371,640</u>

### 18 Pensions and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire 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 2013.

Contributions amounting to £61,942 (2013 : £60,806) were payable to the schemes at 31 August 2014 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

##### The Teachers' Pension Scheme budgeting and valuation account

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

The Teachers' Pensions Regulations require an annual 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.



# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### 18 Pensions and similar obligations

(Continued)

##### Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Services Pensions (Valuations and Employer Cost Cap) Directors 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

##### Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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 have been phased in since April 2012 on a 40:80:100 percent basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformed Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformed scheme will commence on 1 April 2015.

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 18 Pensions and similar obligations

(Continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy 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 Academy Trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 13% per cent for employers and 6.5% per cent for employees. The estimated value of employer contributions for the forthcoming year is £145000.

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.

	2014 £	2013 £
Employer's contributions	140,000	144,000
Employees' contributions	39,000	40,000
Total contributions	<u>179,000</u>	<u>184,000</u>

#### Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	3.5%	5.1%
Rate of increase for pensions in payment	2.7%	2.8%
Discount rate for scheme liabilities	3.7%	4.6%
Expected return on assets	<u>5.2%</u>	<u>5.9%</u>

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

	2014 Years	2013 Years
Retiring today		
- Males	22.3	22.9
- Females	24.4	25.7
Retiring in 20 years		
- Males	24.1	24.9
- Females	<u>26.7</u>	<u>27.7</u>

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 18 Pensions and similar obligations

(Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2014 Expected return %	2014 Fair value £	2013 Expected return %	2013 Fair value £
Equities	6.3	599,000	6.6	908,000
Bonds	3.4	210,000	3.5	157,000
Property	4.5	70,000	4.7	73,000
Other assets	3.3	120,000	3.6	73,000
Total market value of assets		999,000		1,211,000
Present value of scheme liabilities - funded		(2,067,000)		(1,588,000)
Net pension asset / (liability)		(1,068,000)		(377,000)

The return on the fund in market terms for the period to 31 August 2014 is estimated based on actual fund returns as provided by the Administering Authority and index returns where necessary.

The actual return on employer assets was £165,000 (2013 - £139,000).

#### Operating costs and income recognised in the statement of financial activities

	2014 £	2013 £
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(76,000)	(51,000)
Interest on pension liabilities	78,000	62,000
	2,000	11,000
<b>Other expenditure/(income)</b>		
Current service cost	171,000	157,000
Past service cost	-	-
	171,000	157,000
<b>Total operating charge/(income)</b>	173,000	168,000

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 18 Pensions and similar obligations

(Continued)

#### Actuarial gains and losses recognised in the statement of financial activities

	2014 £	2013 £
Actuarial (gains)/losses on assets: actual return less expected	461,000	(88,000)
Experience (gains)/losses on liabilities	197,000	41,000
Total (gains)/losses	658,000	(47,000)
Cumulative (gains)/losses to date	611,000	(47,000)

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

	2014 £	2013 £
Opening defined benefit obligations	(1,588,000)	-
Obligations acquired on conversion	-	(1,288,000)
Current service cost	(171,000)	(157,000)
Interest cost	(78,000)	(62,000)
Contributions by employees	(39,000)	(40,000)
Actuarial gains/(losses)	(197,000)	(41,000)
Benefits paid	6,000	-
	(2,067,000)	(1,588,000)

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

	2014 £	2013 £
Opening fair value of scheme assets	1,211,000	-
Assets acquired on conversion	-	888,000
Expected return on assets	76,000	51,000
Actuarial gains/(losses)	(461,000)	88,000
Contributions by employers	140,000	144,000
Contributions by employees	39,000	40,000
Benefits paid	(6,000)	-
	999,000	1,211,000

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

<b>18 Pensions and similar obligations</b>	<b>(Continued)</b>	
<b>History of experience gains and losses:</b>		
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Present value of defined benefit obligations	(2,067,000)	(1,588,000)
Fair value of share of scheme assets	999,000	1,211,000
Surplus / (deficit)	<u>(1,068,000)</u>	<u>(377,000)</u>
Experience adjustment on scheme liabilities	(197,000)	(41,000)
Experience adjustment on scheme assets	<u>(461,000)</u>	<u>88,000</u>
<b>19 Reconciliation of net income to net cash inflow/(outflow) from operating activities</b>		
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Net income	(60,592)	9,043,232
Net deficit/(surplus) transferred on conversion	-	(8,752,501)
Net current assets other than cash transferred on conversion	-	25,000
Investment income	(1,394)	(883)
FRS17 pension costs less contributions payable	31,000	13,000
FRS17 pension finance income	2,000	11,000
Depreciation of tangible fixed assets	222,820	235,568
(Increase)/decrease in stocks	8,279	(17,633)
(Increase)/decrease in debtors	(4,650)	(171,835)
Increase/(decrease) in creditors	143,338	205,473
Net cash inflow/(outflow) from operating activities	<u>340,801</u>	<u>590,421</u>
<b>20 Reconciliation of net cash flow to movement in net funds</b>		
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Increase/(decrease) in cash	121,815	1,025,239
Net funds at 1 September 2013	1,025,239	-
Net funds at 31 August 2014	<u>1,147,054</u>	<u>1,025,239</u>

# TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 21 Analysis of net funds

	At 1 September 2013 £	Cash flows £	Non-cash changes £	At 31 August 2014 £
Cash at bank and in hand	1,025,239	121,815	-	1,147,054

### 22 Commitments under operating leases

At 31 August 2014 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
- Within one year	-	5,041
- Between two and five years	8,839	3,241
	8,839	8,282

### 23 Capital commitments

	2014 £	2013 £
At 31 August 2014 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	-	27,357

### 24 Related parties

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

No related party transactions took place in the period of account.

### 25 Members' liability

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