Registered number: 08395421

TALL OAKS ACADEMY TRUST LTD

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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

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

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2014

Members

Ms. Emma Brown
Mr. Martin Cook (resigned 23 October 2014)
Mrs. Gemma Garfoot
Mr. Vaughan-Luke Clarke (appointed 23 October 2014)

Directors

Ms. Emma Brown*, Chair to 23 October 2014
Mr. Martin Cook*
Mrs. Gemma Garfoot*, Vice Chair
Cllr. Richard Doran (resigned 28 January 2014)
Mr. Damon Fox*, Chair of Resource Committee
Mr. Chris Duncan (resigned 28 January 2014)
Mrs. Julia Dunderdale
Mr. Rodney Kirman*
Mrs. Bethany Darby*
Mrs. Sharron Close*, Executive Principal & Accounting Officer
Mrs. Susan Wilson*
Mrs. Lynn Williams* (resigned 28 January 2014)
Mr. Vaughan-Luke Clarke*, Chair from 23 October 2014 (appointed 28 January 2014)
Mrs. Sue Bond (appointed 28 January 2014)
Miss M North
Mr. Jason Richardson, Vice Chair (resigned 28 January 2014)

*Member of finance committee.

Company registered number

08395421

Principal and registered office

White's Wood Academy, Whites Wood Lane, Gainsborough, Lincolnshire, DN21 1TJ

Clerk to the Directors

Mrs. Rachel Ward

Executive Principal

Mrs. Sharron Close

Senior management team

Mrs. Sharron Close, Executive Principal & Accounting Officer
Mrs. Susan Wilson
Mrs. Bethany Darby
Mrs. Rachel Ward

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2014

Administrative details (*continued*)

Independent auditor

Streets Audit LLP, Tower House, Lucy Tower Street, Lincoln, Lincolnshire, LN1 1XW

Bankers

Lloyds, 202 High Street, Lincoln, Lincolnshire, LN5 7AP

Solicitors

Duncan A Pickering (LLB Hons), 4 Southfields, Bourne, Lincolnshire, PE10 9TZ

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Directors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of Tall Oaks Academy Trust Ltd (the Academy Trust) for the year ended 31 August 2014. The Directors confirm that the Annual report and financial statements of the Academy Trust comply with the current statutory requirements, the requirements of the Academy Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Structure, governance and management

a. CONSTITUTION

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

Details of the Directors who served throughout the year are included in the Reference and Administrative Details.

b. MEMBERS' LIABILITY

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

c. DIRECTORS' INDEMNITIES

The Academy has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision has a limit of £5million and was at a cost of £1,775.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS

The management of the Academy Trust is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS

There is no formally agreed induction programme for newly appointed Directors at present although the Executive Principal, and Chair meet with new Directors to inform them fully of the workings of the Trust and their responsibilities. The induction provided will depend on the new Director's existing experience, and where necessary will include training on Company and educational, safeguarding, legal and financial matters. All new Directors are given a tour of the sites from which the Trust operates, and are provided with the opportunity to meet with staff and pupils. Directors are provided with copies of Trust Policies, procedures, Minutes from previous meetings, accounts and budget plans and other documents which will be required to enable the Director to undertake his/her role.

f. ORGANISATIONAL STRUCTURE

The board of directors has devolved certain of its activities to sub-committees with responsibility for the day-to-day control of these aspects of the Academy operations. These are set out in the governance statement.

To reflect the growing demands and needs of the Trust, the Directors undertook a governance review during the academic year.

The Trust now consists of a Finance Committee and Local Governing Bodies at each Academy site.

The Trust reviewed its staffing structure across its schools in preparation for a third school in 2015, ensuring all staff have access to high quality CPD. As part of this, the Trust has invested in training such as NPQH and access to Westminster briefings for its senior leaders.

The Trust also reviewed its support systems for Finance and administration with key roles being reviewed and additional support in place to secure effective and efficient systems for managing financial systems. This will be under continuous review as the Trust grows.

In order for the Trust to manage its buildings effectively it is seeking effective options for management of this area across 3 schools from 2015.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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

Objectives and Activities

a. OBJECTS AND AIMS

The principal activity of the Trust, as set out in its articles of association and funding agreement with the Secretary of State is the operation of Tall Oaks Academy ("The Academy"), which is a Trust comprising Mercer's Wood Academy and White's Wood Academy, to provide education for pupils of different abilities between the ages of 4 and 11.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Trust during the year ended 31st August 2014 are summarised below:

* to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
* to raise the standard of educational achievement of all pupils;
* to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under review;
* to provide value for money for the funds expended;
* to comply with all appropriate statutory and curriculum requirements;
* to maintain links with industry and commerce and the international community; and
* to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

The strategies for achieving these objectives will be to use a rigorous cycle of monitoring, evaluation and review to identify key areas for deployment of staff, enabling accelerated progress through quality first teaching. Value for money will be ensured by effective deployment using the latest key indicators for impact measures. The curriculum will be resourced to enable prioritising key areas for improvement. This will be clearly linked to a School Development Plan with quantitative and qualitative milestones, which will be reviewed by the Board of directors to ensure accountability.

c. PUBLIC BENEFIT

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

Strategic report

Achievements and performance

a. GOING CONCERN

The Directors have reviewed the finances of the Trust and Academy over the reporting period, taking account of their risk review as referred to earlier, and have concluded that there is a reasonable expectation that the Academy Trust has, or will have, adequate resources to continue in operational existence for the foreseeable future. Furthermore there are no material uncertainties that might adversely impact on the ongoing solvency of the Trust, so the going concern basis of accounting has been adopted in preparing the financial statements.

b. PERFORMANCE AND ACHIEVEMENTS

Both schools in the Trust have experienced a rise in roll. Mercer's Wood Academy is now oversubscribed for 2014 applications for FS and several other year groups are now full. This represents a rise in numbers from 166 (October 2013 Census return) to 186 on roll at 1st September 2014. At White's Wood Academy, the Trust is considering increasing the PAN once the building issues are resolved as they are also experiencing a rise in numbers. Mobility in and out has been higher than usual this year.

2013 – 2014 results at the end of Key Stages indicate a good set of results but all have yet to be validated. The increase in Phonics screening data percentages for Year 1 at Mercer's Wood Academy represents a sound financial investment in resources and staffing to enable this to happen. Results for the end of Key Stages at both schools show at least good progress against all benchmarks and some outstanding progress in Year 6. Again, the investment in these staffing models currently being supported, show these to be value for money.

The Trust has used resources to develop its own curriculum given the freedoms within its Academy status. It has incorporated the key values and ethos which the Trust understands are essential for its aspirational model. Governors have attended 'Change Team' meetings where different models have been discussed. The Trust has a 'Creative Curriculum' base model with plenty of scope for children leading the learning across all year groups. Important factors include investment in cooking and outdoor learning.

The Trust was successful in securing funding from bids to enable it to improve its buildings. At White's Wood Academy a major refurbishment of the roof took place over the summer break. At Mercer's Wood Academy, a successful bid provided funding for new UPVC windows to replace old metal windows. This will improve he energy efficiency of the building which has been a long-standing issue affecting fuel costs for many years. This work was also carried out over the summer break.

The Trust is able to use its in-house expertise to enable staff development, which is part of the economies of scale the Multi-Academy Trust model presents. We are building a team of specialists as we grow, enabling a secure programme of succession planning alongside the Mentoring and Coaching Programmes already part of the 'best practice' models it uses. Next year, several schools have asked about Consultancy using our specialists to support and this will be led by the Senior Leadership team. Directors of the Trust have already benefited from this expertise with a dedicated programme of professional development modules led by different members of the Senior Leadership team.

c. KEY PERFORMANCE INDICATORS

Key Performance Indicators 2013/14 - School vs Local Authority vs National Averages

Subject	White's Wood Academy			Mercer's Wood Academy			Local Authority			National		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Foundation Stage												
Children achieving GLD				-	33%	44%	-	77%	67%	-	52%	60%
Meeting ELG – Communication and Language				-	59%	59%	-	80%	-	-	72%	-
Meeting ELG – Physical Development				-	76%	98%	-	-	-	-	-	-
Meeting ELG – Personal, social and emotional development				-	52%	59%	-	84%	-	-	76%	-
Meeting ELG – Literacy				-	52%	56%	-	70%	-	-	61%	-
Meeting ELG – Mathematics					44%	59%	-	-	-	-	-	-
Year 1 Phonics Screening Test				28%	62%	75%	69%	76%	79%	63%	69%	74%
Key Stage 1												
2c+ Reading				63%	82%	83%	86%	88%	89%	87%	89%	90%
2c+ Writing				66%	82%	83%	83%	86%	85%	83%	85%	86%
2c+ Maths				70%	78%	90%	91%	92%	91%	91%	91%	92%
2b+ Reading				44%	59%	67%	75%	78%	78%	76%	79%	81%
2b+ Writing				44%	47%	60%	64%	67%	68%	64%	67%	70%
2b+ Maths				63%	65%	70%	77%	78%	78%	76%	78%	77%
3+ Reading				0%	24%	20%	27%	29%	29%	27%	29%	31%
3+ Writing				0%	12%	13%	15%	16%	16%	14%	15%	16%
3+ Maths				0%	12%	17%	22%	23%	23%	22%	23%	24%
Key Stage 2												
Reading L4+	100%	98%	98%	95%	87%	92%	87%	87%	87%	86%	86%	89%
Reading L5+	77%	73%	93%	24%	35%	60%	39%	46%	48%	46%	44%	50%
Reading L6	0	0	0	0	0	0	0	0	4%	0	0	3%
Writing L4+	84%	93%	91%	71%	83%	88%	87%	84%	84%	81%	83%	85%
Writing L5+	32%	28%	27%	24%	4%	28%	39%	34%	32%	28%	30%	33%
Writing L6	10%	0	2%	0	0	0	-	2%	2%	1%	2%	2%
Maths L4+	97%	100%	98%	90%	100%	96%	85%	85%	84%	84%	85%	86%
Maths L5+	45%	73%	55%	43%	46%	40%	35%	41%	38%	39%	41%	42%
Maths L6	16%	15%	20%	0	9%	16%	-	6%	7%	3%	6%	9%
SPAG L4+	-	85%	98%	-	78%	92%	-	73%	73%	-	74%	76%
SPAG L5+	-	58%	86%	-	65%	72%	-	47%	49%	-	47%	52%
SPAG L6	-	0	20%	-	0	0	-	2%	3%	-	2%	4%
Combined L4+ R, W, M	94%	93%	89%	62%	83%	80%	81%	76%	76%	79%	75%	79%
Combined L5+ R, W, M	45%	23%	25%	25%		16%	27%	22%	22%	27%	21%	24%
Pupils making expected progress in Reading	100%	100%	100%	95%	95%	96%	91%	90%	91%	90%	88%	91%
Pupils making expected progress in Writing	94%	97%	98%	95%	95%	100%	91%	90%	93%	90%	91%	93%
Pupils making expected progress in Maths	97%	100%	100%	90%	100%	100%	89%	93%	87%	87%	88%	89%
Pupils exceeding progress in Reading	58%	70%	72%	48%	45%	76%	-	34%	36%	-	30%	35%
Pupils exceeding progress in writing	35%	32%	28%	52%	20%	52%	-	34%	32%	-	30%	33%
Pupils exceeding progress in maths	42%	68%	58%	52%	65%	56%	-	33%	31%	-	31%	35%

Financial review

a. REVIEW

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

In the first full year following conversion to Academy status the Trust has continued to build its systems and procedures to ensure transparent and robust financial management and monitoring routinely takes place. The Trust has been successful in two Academies Capital Maintenance Fund bids (Round 2), securing funding to replace the roof at one site and windows refurbishment at the other site.

The Trust has invested in IT provision across the Trust by investing in mobile IT to provide valuable classroom space as numbers increase to PAN at both existing schools. The Trust continues to ensure it invests in IT which will meet the needs of the new IT curriculum and to enable children to prepare for the future. This will be under constant review.

The autonomy granted by conversion to Academy status, and sound financial management has also enabled the Trust to invest in our school buildings and staff as we strive to continue to provide high quality education to the children of Gainsborough. As part of that investment, the Trust has reviewed provision for Early Years at Mercer's Wood Academy where some of the provision was deemed unfit for purpose when the Trust took the school into its Trust. The Trust has successfully sought grants to improve areas identified as in need of improvement. It has also secured support from the Local Authority in a future bid to expand.

The Trust continues to invest in succession planning for the future by investing in high quality specialists and outstanding leadership to ensure high quality provision for all children. Leadership is a key area to enable the Trust to grow and to ensure sufficient staffing to enable out-sourcing of its expertise to other schools and enable it to take part on school-to-school support.

b. RESERVES POLICY

The Directors review the reserve levels of the Trust on an annual basis, or more frequently if deemed necessary. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free cash reserves should be approximately £35,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of free reserves is £145,000. In addition to this, the Trust will make appropriate transfers to capital reserves to ensure that adequate balances of funds are set aside to meet planned capital expenditure in the future.

c. MATERIAL INVESTMENTS POLICY

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

d. PRINCIPAL RISKS AND UNCERTAINTIES

The school has carried out an extensive risk assessment based on the EFA model. The risks are categorised into various heading to permit us to analyse in detail specific risks. The predominant risks are given below.

e. RISK MANAGEMENT

The directors have assessed the major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The directors have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas and in relation to the control of finances to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The directors are confident that the Trust has an effective system of internal financial controls and this is explained in more detail in a separate section. While there is no formal risk management group, the directors have compiled a risk register, which will be reviewed annually.

Strategic and Reputation Risks:

1. Competition risk: We have identified that we need to remain focused on our reputation within the local community to ensure future children see the school as a great learning establishment. We strive and indeed maintain a healthy presence in the community and our whole school results and interaction with the local community remain a major focus.

2. Public profile risk: Failure to comply with statutory Health and Safety legislation. The "Human Factor" can never be eliminated, however the Academy has an active H&S culture in place that extends from the children, staff, Directors, members and public. The Academy retains external advisors who can advise when necessary on H&S matters. The seeking of specialist advice should be used when major decisions are made.

3. Board of Directors risk: Too little or too much delegation within committee. Effective management and delegation is conducted with whole committee monitoring. Workloads shared within various sub-committees.

Operational Risks:

Management risk: Senior management capability /experience of charity sector risk. Currently SMT experience is more than sufficient for most tasks. The main areas of concern are the changes in EFA requirements that require the school to carry out tasks that are not expected. Otherwise, the objects of the school remain unchanged.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Trust has had an exciting and challenging first year following conversion, consolidating the existing two schools within the Trust and successfully bidding to become the operator of a third school in Gainsborough which will open in September 2015.

The majority of service and supplier contracts have been reviewed, securing savings through economies of scale. The Trust will continue this review of contracts over the next 12 months.

The Trust will also seek to review its IT provision as part of its overall review process so this area does not fall behind current technology. Another key area will be the development of its grounds as it implements its new curriculum. It will be investing in cooking equipment and a refurbishment of a current area to enable children to have high quality access at one school whilst improving its provision for extended school support. This will include Breakfast Clubs and a pilot after school care provision trialled in preparation for September 2015 at the new school.

The Trust will be looking to increase staffing as part of its preparation for the new school, thus enabling succession planning by 'growing' its own leaders. It will also be seeking additional income from Consultancy offered to other schools. This will offset the increase in leadership and allow the retention of quality staff.

With its freedoms the Trust will be implementing a new School Year from August 2015. This will improve attendance and learning.

The Trust will be re-bidding alongside the Local Authority to increase the PAN with additional buildings on the White's Wood Academy site. This will enable the school to generate more income and therefore become more cost effective as the overall budget increases.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as Custodian Trustees on behalf of others for the year ending 31st August 2014.

DISCLOSURE OF INFORMATION TO AUDITOR

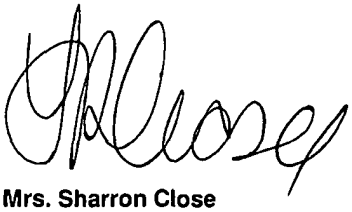
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

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

This report, incorporating the Strategic report, was approved by order of the board of directors, as the company directors, on 9 December 2014 and signed on the board's behalf by:



Mr. Vaughan-Luke Clarke
Chair of Directors



Mrs. Sharron Close
Executive Principal & Accounting Officer

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of directors has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Tall Oaks Academy Trust Ltd and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the Directors' responsibilities statement. The board of directors has formally met 4 times during the year. Attendance during the year at meetings of the board of directors was as follows:

Director	Meetings attended	Out of a possible
Ms. Emma Brown	3	4
Mr. Martin Cook	3	4
Mrs. Gemma Garfoot	4	4
Cllr. Richard Doran	1	1
Mr. Damon Fox	3	4
Mr. Chris Duncan	1	1
Mrs. Julia Dunderdale	3	4
Mr. Rodney Kirman	4	4
Mrs. Bethany Darby	3	4
Mrs. Sharron Close	4	4
Mrs. Susan Wilson	2	4
Mrs. Lynn Williams	1	1
Mr. Vaughan-Luke Clarke	2	3
Mrs. Sue Bond	2	3
Miss M North	2	2
Mr. Jason Richardson	1	1

Governance reviews:

A skills audit has been performed in the year looking at the strengths and weaknesses that the current directors possess and highlighting areas for improvement. The directors are always keen to recruit new individuals that can add additional skills. The next governance review is planned for the next academic year.

The Finance Committee is a sub-committee of the main board of directors. Its purpose is to support the Accounting Officer in her day to day running of the financial affairs of the Trust and to oversee its systems of internal control. Attendance at meetings in the year was as follows:

Member of Committee	Meetings attended	Out of a possible
Mr. Damon Fox	3	4
Ms. Emma Brown	0	4
Mrs. Gemma Garfoot	4	4
Mr. Martin Cook	2	4
Mrs. Lynn Williams	1	1
Mr. Rodney Kirman	4	4
Mrs. Sharron Close	4	4
Mrs. Bethany Darby	3	4
Mrs. Susan Wilson	4	4
Mr. Vaughan-Luke Clarke	1	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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy Trust for the period reported on, and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Directors have assessed the major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The Directors have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas and in relation to the control of finances to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Directors are confident that the Trust has an effective system of internal financial controls and this is explained in more detail in a separate section. The Health and Safety Director meeting annually with Senior Leadership Team as a matter of course and can meet more frequently should an appropriate need be identified.

GOVERNANCE STATEMENT (continued)

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 directors;
- regular reviews by the accounting officer 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 Directors has considered the need for a specific internal audit function and has decided not to constitute an internal audit committee. However, the Directors have appointed Lincolnshire Audit as Internal Auditor ('IA'). The IA's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the IA reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditor;
- the work of the internal auditor;
- 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 Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of directors on 9 December 2014 and signed on its behalf, by:

Mr. Vaughan-Luke Clarke
Chair of Directors

Mrs. Sharron Close
Executive Principal & Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Tall Oaks Academy Trust Ltd I have considered my responsibility to notify the Academy Trust board of directors 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 the 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 board of directors 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 directors and EFA.

Mrs. Sharron Close
Executive Principal & Accounting Officer

Date: 9 December 2014

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

The Directors (who act as governors of Tall Oaks Academy Trust Ltd and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of directors on 9 December 2014 and signed on its behalf by:



Mr. Vaughan-Luke Clarke
Chair of Directors

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TALL OAKS ACADEMY TRUST LTD

We have audited the financial statements of Tall Oaks Academy Trust Ltd for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements 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 FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TALL OAKS ACADEMY TRUST LTD

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW
9 December 2014

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

In accordance with the terms of our engagement letter dated 22 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tall Oaks Academy Trust Ltd during the year 1 September 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 Tall Oaks Academy Trust Ltd and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Tall Oaks Academy Trust Ltd and 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 Tall Oaks Academy Trust Ltd and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF TALL OAKS ACADEMY TRUST LTD'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Tall Oaks Academy Trust Ltd's funding agreement with the Secretary of State for Education dated 20 February 2013, and the Academies Financial Handbook extant from 1 September 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 2013 to 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 year 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 2013 to 2014 issued by 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.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TALL OAKS ACADEMY TRUST LTD AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson

Streets Audit LLP

Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW

9 December 2014

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	*Period Ended 31 August 2013 £000*
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	**5**	-	-	**5**	*16*
Activities for generating funds	3	**65**	-	-	**65**	*25*
Funding for Academy's educational operations	4	-	**1,870**	**245**	**2,115**	*1,013*
Balances brought forward on conversion		-	-	-	-	*2,256*
TOTAL INCOMING RESOURCES		**70**	**1,870**	**245**	**2,185**	*3,310*
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income		**72**	-	-	**72**	*16*
Charitable activities	6	-	**1,772**	**23**	**1,795**	*868*
Governance costs	7	-	**18**	-	**18**	*23*
TOTAL RESOURCES EXPENDED	5	**72**	**1,790**	**23**	**1,885**	*907*
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		**(2)**	**80**	**222**	**300**	*2,403*

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	*Period Ended 31 August 2013 £000*
Transfers between Funds	14	(28)	(77)	105	-	-
NET INCOMING RESOURCES BEFORE REVALUATIONS		(30)	3	327	300	*2,403*
Actuarial loss on defined benefit pension scheme		-	(109)	-	(109)	*(10)*
NET MOVEMENT IN FUNDS FOR THE YEAR		(30)	(106)	327	191	*2,393*
Total funds at 1 September 2013		*175*	*(240)*	*2,458*	*2,393*	-
TOTAL FUNDS AT 31 AUGUST 2014		145	(346)	2,785	2,584	*2,393*

All activities relate to continuing operations.

The notes on pages 25 to 45 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£000	2014 £000	£000	2013 £000
FIXED ASSETS					
Tangible assets	11		**2,785**		*2,458*
CURRENT ASSETS					
Debtors	12	**288**		*54*	
Cash at bank		**287**		*308*	
		575		*362*	
CREDITORS: amounts falling due within one year	13	**(383)**		*(166)*	
NET CURRENT ASSETS			**192**		*196*
TOTAL ASSETS LESS CURRENT LIABILITIES			**2,977**		*2,654*
Defined benefit pension scheme liability	20		**(393)**		*(261)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			**2,584**		*2,393*
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	14	**47**		*21*	
Restricted fixed asset funds	14	**2,785**		*2,458*	
Restricted funds excluding pension liability		**2,832**		*2,479*	
Pension reserve		**(393)**		*(261)*	
Total restricted funds			**2,439**		*2,218*
Unrestricted funds	14		**145**		*175*
TOTAL FUNDS			**2,584**		*2,393*

The financial statements were approved by the Directors, and authorised for issue, on 9 December 2014 and are signed on their behalf, by:

Mr. Vaughan-Luke Clarke
Chair of Directors

Mrs. Sharron Close
Executive Principal & Accounting Officer

The notes on pages 25 to 45 form part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	31 August 2014 £000	*Period ended 31 August 2013 £000*
Net cash flow from operating activities	16	**84**	*214*
Capital expenditure and financial investment	17	**(105)**	*(56)*
Cash transferred on conversion to an academy trust		**-**	*150*
(DECREASE)/INCREASE IN CASH IN THE YEAR		**(21)**	*308*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	31 August 2014 £000	*Period ended 31 August 2013 £000*
(Decrease)/Increase in cash in the year	**(21)**	*308*
MOVEMENT IN NET FUNDS IN THE YEAR	**(21)**	*308*
Net funds at 1 September 2013	**308**	*-*
NET FUNDS AT 31 AUGUST 2014	**287**	*308*

The notes on pages 25 to 45 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

The company was incorporated on 8 February 2013 and converted to an academy on 1 March 2013. The comparatives represent a six month period.

1.2 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 Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education Funding Agency.

1.3 Incoming resources

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

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

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	No depreciation
Fixtures and fittings	-	4 years straight line
Computer equipment	-	3 years straight line
Leasehold improvements	-	10 years straight line

1. ACCOUNTING POLICIES (continued)

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

1.7 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.

1.8 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes 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 20, 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 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.

2. VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	Total funds	*Period Ended 31 August*
	2014	2014	2014	*2013*
	£000	£000	£000	*£000*
Voluntary income	5	-	5	*16*

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds	Restricted funds	Total funds	*Period Ended 31 August*
	2014	2014	2014	*2013*
	£000	£000	£000	*£000*
Academy Trips and other School Fund Income	41	-	41	*21*
Sales of Meals	11	-	11	*4*
Breakfast/After School Clubs	2	-	2	-
Music	2	-	2	-
Swimming	1	-	1	-
Hire of facilities	8	-	8	-
	65	-	65	*25*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	Total funds	
				Period Ended 31 August
	2014	**2014**	**2014**	*2013*
	£000	**£000**	**£000**	*£000*
DfE/EFA revenue grants				
General Annual grant (GAG)	-	**1,545**	**1,545**	*751*
Other DfE/EFA grants	-	**310**	**310**	*42*
Academy Converter Grants	-	-	-	*50*
	-	**1,855**	**1,855**	*843*
Other government grants				
Special Educational Needs Funding	-	**15**	**15**	*3*
Other Grants	-	-	-	*133*
	-	**15**	**15**	*136*
Other funding				
DfE/EFA Capital grants	-	**245**	**245**	*24*
Other Grants	-	-	-	*10*
	-	**245**	**245**	*34*
	-	**2,115**	**2,115**	*1,013*

5. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs	Non Pay Expenditure		Total	*Total*
		Premises	Other costs		*Period Ended 31 August*
	2014 £000	2014 £000	2014 £000	2014 £000	*2013 £000*
Fundraising expenses	-	-	72	72	*16*
Costs of generating funds	-	-	72	72	*16*
Direct costs	1,164	-	145	1,309	*673*
Support costs	237	182	67	486	*195*
Charitable activities	1,401	182	212	1,795	*868*
Governance	2	-	16	18	*23*
	1,403	182	300	1,885	*907*

6. CHARITABLE ACTIVITIES

	Total funds 2014 £000	Period Ended 31 August 2013 £000
DIRECT COSTS		
Wages and salaries	**960**	*450*
National insurance	**64**	*28*
Pension cost	**140**	*61*
Educational Supplies	**45**	*28*
Staff Development	**5**	*4*
Educational Consultancy	**(4)**	*50*
Heat and Light	**27**	*15*
Other Direct Costs	**29**	*37*
Sickness Insurance	**20**	-
Supply Staff Costs	**23**	-
	1,309	*673*
SUPPORT COSTS		
Wages and salaries	**195**	*103*
National insurance	**13**	*7*
Pension cost	**29**	*13*
Maintenance of Premises and Equipment	**39**	*52*
Rent and Rates	**26**	*10*
Insurance	**10**	*10*
Depreciation	**23**	-
Cleaning	**6**	-
Water	**6**	-
Security and Transport	**13**	-
Other Premises Costs	**13**	-
Other Support Costs	**108**	-
Supply Staff Costs	**5**	-
	486	*195*
	1,795	*868*

7. GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Total funds	
				Period Ended 31 August
	2014	**2014**	**2014**	*2013*
	£000	**£000**	**£000**	*£000*
Auditors' remuneration	**-**	**4**	**4**	*4*
Legal & licences	**-**	**12**	**12**	*18*
Clerical costs	**-**	**2**	**2**	*1*
	-	**18**	**18**	*23*

8. STAFF

a. Staff costs

Staff costs were as follows:

	31 August 2014	*Period ended 31 August 2013*
	£000	*£000*
Wages and salaries	**1,157**	*554*
Social security costs	**77**	*35*
Other pension costs (Note 20)	**169**	*74*
	1,403	*663*
Supply staff costs	**28**	*-*
Staff development	**5**	*-*
	1,436	*663*

b. Staff severance payments

Included in staff costs was a single non-statutory severance payment of £9,300 (2013: nil).

8. STAFF (continued)

c. Staff numbers

The average number of persons employed by the Academy Trust during the year expressed as full time equivalents was as follows:

	31 August 2014 No.	*Period ended 31 August 2013 No.*
Teachers	37	*28*
Administration and Support	12	*11*
Management	1	*1*
	50	*40*

d. Higher paid staff

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

	31 August 2014 No.	*Period ended 31 August 2013 No.*
In the band £60,001 - £70,000	2	*0*
In the band £70,001 - £80,000	0	*1*
In the band £90,001 - £100,000	1	*0*
	3	*1*

Three of the above employees participated in the Teacher's Pension Scheme. Contributions for these staff amounted to £24,961.

9. DIRECTORS' REMUNERATION AND EXPENSES

During the period retirement benefits were accruing to 4 (2013: 4) directors in respect of defined benefit pension schemes.

The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Directors. The value of Directors' remuneration fell within the following bands:

	31 August 2014 £000	*Period ended 31 August 2013 £000*
Mrs S Close, Executive Principal and Accounting Officer	**90-95**	*35-40*
Mrs B Darby, Staff Governor	**60-65**	*25-30*
Mrs S Wilson, Staff Governor	**60-65**	*30-35*
Mr J Richardson, Staff Governor	**20-25**	*5-10*

During the year ended 31 August 2014, expenses totaling £444 (2013: £nil) were reimbursed to 2 trustees.

10. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5 million on any one claim and the cost for the year ended 31 August 2014 was £1,775 *(2013 - £559)*. The cost of this insurance is included in the total insurance cost.

11. TANGIBLE FIXED ASSETS

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Leasehold improvements £000	Total £000
Cost					
At 1 September 2013	**2,378**	**17**	**11**	**52**	**2,458**
Additions	**-**	**1**	**9**	**340**	**350**
At 31 August 2014	**2,378**	**18**	**20**	**392**	**2,808**
Depreciation					
Charge for the year	**-**	**6**	**7**	**10**	**23**
At 31 August 2014	**-**	**6**	**7**	**10**	**23**
Net book value					
At 31 August 2014	**2,378**	**12**	**13**	**382**	**2,785**
At 31 August 2013	*2,378*	*17*	*11*	*52*	*2,458*

Long-term leasehold property held on 125-year leases from Lincolnshire County Council as transferred to the Academy on conversion have been included in accordance with valuations carried out by the Education Funding Agency, in conjunction with the Whole of Government Accounts return as at 31st March 2013. The Directors consider these to be fair values.

12. DEBTORS

	2014 £000	*2013 £000*
Other debtors	**48**	*24*
Prepayments and accrued income	**240**	*30*
	288	*54*

13. CREDITORS:
Amounts falling due within one year

	2014	*2013*
	£000	*£000*
Trade creditors	**326**	*96*
Other taxation, social security & pensions	**45**	*60*
Accruals and deferred income	**12**	*10*
	383	*166*

	£000
Deferred income	
Resources deferred during the year	**6**

Income deferred at 31 August 2014 relates to monies received in July 2014 for provision of Universal Free School Meals from September 2014.

14. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
Unrestricted funds	175	70	(72)	(28)	-	145
Restricted funds						
General Annual Grant (GAG)	21	1,545	(1,566)	-	-	-
Other EFA Restricted Funds	-	325	(201)	(77)	-	47
Pension reserve	(261)	-	(23)	-	(109)	(393)
	(240)	1,870	(1,790)	(77)	(109)	(346)
Restricted fixed asset funds						
Assets transferred on conversion	2,378	-	-	-	-	2,378
Assets funded by GAG income	56	-	(12)	105	-	149
Assets funded by DfE capital grants	24	245	(11)	-	-	258
	2,458	245	(23)	105	-	2,785
Total restricted funds	2,218	2,115	(1,813)	28	(109)	2,439
Total of funds	2,393	2,185	(1,885)	-	(109)	2,584

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

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

Restricted funds:
Other EFA restricted funds represent funding received for specific projects.

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

Restricted Fixed Asset funds:
The individual balances represent the net book value of fixed assets acquired by the different sources of funding received by the Trust.

14. STATEMENT OF FUNDS (continued)

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.

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £000
Mercer's Wood Academy	38
White's Wood Academy	437
Shared Services	(283)
Total before fixed asset fund and pension reserve	192
Restricted fixed asset fund	2,785
Pension reserve	(393)
Total	2,584

The funding deficit within shared services will be extinguished in the new year by recharges of the shared costs to the two academies.

Analysis of academies by cost

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs £000	Total £000
Mercer's Wood Academy	634	92	27	163	916
White's Wood Academy	426	78	18	208	730
Shared Services	127	72	-	40	239
	1,187	242	45	411	1,885

SUMMARY OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
General funds	175	70	(72)	(28)	-	145
Restricted funds	(240)	1,870	(1,790)	(77)	(109)	(346)
Restricted fixed asset funds	2,458	245	(23)	105	-	2,785
	2,393	2,185	(1,885)	-	(109)	2,584

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	
					Period Ended 31 August
	2014 £000	2014 £000	2014 £000	2014 £000	*2013 £000*
Tangible fixed assets	-	-	2,785	2,785	*2,458*
Current assets	302	273	-	575	*362*
Creditors due within one year	(157)	(226)	-	(383)	*(166)*
Provisions for liabilities and charges	-	(393)	-	(393)	*(261)*
	145	(346)	2,785	2,584	*2,393*

16. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 August 2014 £000	*Period ended 31 August 2013 £000*
Net incoming resources before revaluations	300	*2,403*
Transfer on conversion	-	*(2,256)*
Depreciation of tangible fixed assets	23	-
Capital grants from DfE	(245)	*(24)*
Increase in debtors	(234)	*(54)*
Increase in creditors	217	*145*
FRS 17 adjustments	23	-
Net cash inflow from operations	84	*214*

17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	31 August 2014 £000	*Period ended 31 August 2013 £000*
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(116)	*(80)*
Grant income received for capital funding	11	*24*
Net cash outflow capital expenditure	(105)	*(56)*

18. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £000	Cash flow £000	Other non-cash changes £000	31 August 2014 £000
Cash at bank and in hand:	308	(21)	-	287
Net funds	308	(21)	-	287

19. CONTINGENT LIABILITIES

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

20. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lincolnshire County Council. 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 £21,648 were payable to the scheme at 31 August 2014 (2013 - 44,993) and are included within creditors.

20. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

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.

Valuation of the Teachers' Pension Scheme

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

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

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

20. PENSION COMMITMENTS (continued)

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 from April 2012 on a 40:80:100% basis.

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

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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £75,000, of which employer's contributions totaled £25,000 and employees' contributions totaled £50,000. The agreed contribution rates for future years are 19.9% for employers and 12.5% for employees.

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

20. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000	*Expected return at 31 August 2013 %*	*Fair value at 31 August 2013 £000*
Equities	**6.30**	**242**	*6.40*	*199*
Bonds	**3.60**	**42**	*4.70*	*31*
Property	**4.50**	**36**	*4.60*	*28*
Total market value of assets		**320**		*258*
Present value of scheme liabilities		**(713)**		*(519)*
(Deficit)/surplus in the scheme		**(393)**		*(261)*

The amounts recognised in the Balance sheet are as follows:

	31 August 2014 £000	*Period ended 31 August 2013 £000*
Present value of funded obligations	**(713)**	*(519)*
Fair value of scheme assets	**320**	*258*
Net liability	**(393)**	*(261)*

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

	31 August 2014 £000	*Period ended 31 August 2013 £000*
Current service cost	**72**	*31*
Interest cost	**26**	*11*
Expected return on scheme assets	**(18)**	*(7)*
Total	**80**	*35*
Actual return on scheme assets	**35**	*14*

20. PENSION COMMITMENTS (continued)

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

	31 August 2014 £000	*Period ended 31 August 2013 £000*
Opening defined benefit obligation	**519**	*469*
Contributions by scheme participants	**18**	*8*
Benefits paid	**(1)**	*-*
Actuarial Losses	**79**	*-*
Current service cost	**72**	*31*
Interest cost	**26**	*11*
Closing defined benefit obligation	**713**	*519*

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

	31 August 2014 £000	*Period ended 31 August 2013 £000*
Opening fair value of scheme assets	**258**	*218*
Contributions by employees	**18**	*8*
Contributions by employer	**57**	*26*
Actuarial gains	**(30)**	*(1)*
Benefits paid	**(1)**	*-*
Expected return on assets	**18**	*7*
	320	*258*

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(119,000) *(2013 - £(10,000))*.

The Academy Trust expects to contribute £62,000 to its Defined benefit pension scheme in 2015.

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

	2014	*2013*
Equities	**76.00 %**	*77.00 %*
Bonds	**13.00 %**	*12.00 %*
Property	**11.00 %**	*11.00 %*

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

	2014	*2013*
Discount rate for scheme liabilities	**3.70 %**	*4.10 %*
Expected return on scheme assets at 31 August	**5.80 %**	*5.00 %*
Rate of increase in salaries	**3.90 %**	*4.50 %*
Rate of increase for pensions in payment / inflation	**2.60 %**	*2.20 %*

20. PENSION COMMITMENTS (continued)

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

	2014	*2013*
Retiring today		
Males	**22.2**	*21.2*
Females	**24.4**	*23.4*
Retiring in 20 years		
Males	**24.5**	*23.7*
Females	**26.8**	*25.7*

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £000	*2013 £000*
Defined benefit obligation	**(713)**	*(519)*
Scheme assets	**320**	*258*
Deficit	**(393)**	*(261)*

21. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other	
	2014 £000	*2013 £000*	2014 £000	*2013 £000*
Expiry date:				
Between 2 and 5 years	**2**	*5*	**-**	*-*

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a directors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. There were no transactions with related parties in the year to 31 August 2014.