Registered number: 08395421

TALL OAKS ACADEMY TRUST LTD

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 AUGUST 2015

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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 TRUST, ITS MEMBERS / DIRECTORS AND ADVISERS FOR THE YEAR ENDING 31 AUGUST 2015

Members	E Brown M Cook (resigned 23 October 2014) G Garfoot V-L Clarke (appointed 23 October 2014)
Directors	E Brown M Cook (resigned 9 December 2014) G Garfoot, Vice Chair D Fox, Chair of Resource Committee (resigned 23 October 2014) J Dunderdale R Kirman B Darby, Staff Director S Close, Executive Principal & Accounting Officer S Wilson, Staff Director V-L Clarke, Chair from 23 October 2014 S Bond M North (resigned 9 December 2014) R Sampher (appointed 23 October 2014) C Jackson (appointed 24 February 2015)
Company registered number	08395421
Principal and registered office	White's Wood Academy Whites Wood Lane Gainsborough Lincolnshire DN21 1TJ
Clerk to the Directors	R Ward
Executive Principal	S Close
Senior management team	S Close, Executive Principal & Accounting Officer S Wilson, Director of Teaching and learning B Darby, Director of Data and Assessment R Ward, Executive Business Manager
Independent auditor	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln Lincolnshire LN1 1XW
Bankers	Lloyds Bank plc 202 High Street Lincoln Lincolnshire LN5 7AP

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS/ TRUSTEES AND ADVISERS FOR THE YEAR ENDING 31 AUGUST 2015

Administrative details (continued)

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Directors (who are directors of the academy 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 Trust) for the year ended 31 August 2015. The Directors confirm that the Annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates three primary academies in Gainsborough.

Structure, governance and management

a. CONSTITUTION

The 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 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.

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS

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

d. 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. Directors are also directed to the secure Directors page of the Trust's website.

e. 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 2013/14 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 put in place to secure effective and efficient systems for managing financial and operational systems. This will be under continuous review as the Trust grows.

f. 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 Trust Ltd, which is a Trust comprising Castle Wood Academy, Mercer's Wood Academy and White's Wood Academy, to provide education for pupils of different abilities between the ages of 4 and 11.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Trust during the year ended 31 August 2015 are summarised below:

Improve Teaching and Learning through:
- Improved progression through effective and precise marking and feedback
- Improved opportunities for outdoor learning
- Improving engagement through international links
- Improving communication with parents

Improve Leadership and Management through:
- Growing effective leadership (succession planning)
- Building in-Trust expertise
- Improving attendance at each school within the Trust
- Building capacity for Castle Wood Academy (new school opening 1 September 2015)

Improve Transition
- Improving transition from Nursery to EYFS
- Improving transition from EYFS to Year 1 and to Year 2
- Improving transition to Year 3 (KS1-KS2)
- Improving transition from KS2 to KS3

The strategies for achieving these objectives will be to plan a series of key actions and then use a rigorous cycle of monitoring, evaluation and review to identify key areas for deployment of staff. This will be clearly linked to quality professional development of all staff. 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 the Trust Development Plan with quantitative and qualitative milestones, which will be reviewed by the Board of Directors to ensure accountability alongside outside moderation.

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 over the reporting period and have concluded that there is a reasonable expectation that the 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

During the Academic Year the Trust supported Mercer's Wood Academy to achieve an Ofsted judgement of Outstanding. Data analysis showed that there were no significant gaps between disadvantaged groups and others learners showing that the Trust used its resources well. The Trust continues to grow.

In September 2015, the Trust admitted its first pupils into the new Castle Wood Academy, with the building being delivered on time and within budget projections.

At White's Wood Academy, the Local Authority agreed to fund a new classroom to facilitate admitting additional pupils thereby increasing the PAN to match its feeder Infant School.

The trust agreed to take 10 pupils over PAN in September 2014 and 2015.

Waiting lists are now in place at both Mercer's Wood Academy and White's Wood Academy.

At Castle Wood Academy, the Trust agreed to take an additional 30 pupils over the expected admission of 30 to enable the Local Authority to place all pupils within Gainsborough.

The Trust has completed a Curriculum Review and the new curriculum continues to be developed in response to pupil need. Work has also nearly completed on a new tracking system to replace the levels previously used for assessment.

The Executive Principal has been accredited a National Leader of Education, thereby designating White's Wood Academy as a National Support School.

The Trust continues to build its team of expertise with some staff being trained to offer support across all schools. Current staff are part of a succession planning model with a Deputy Leader of School currently being trained to be a Leader of School alongside the Executive Principal.

Succession planning will remain a key priority for the Trust Development Plan.

End of Key Stage results indicate good progression in Writing and Reading with less progress in Mathematics. Progress was better at Mercer's Wood Academy than White's Wood Academy. A full analysis of all factors will be brought to both Local Governing Bodies and the Board of Director and Mathematics will for a key part of the next development plan.

The leadership team will be delivering a full programme of Governor Training throughout the year to ensure they are updated. An outside advisor and Lead Ofsted Inspector has delivered training on the new framework will take effect in September 2015.

Key Performance Indicators 2014/15 - School vs Local Authority vs National Averages

Subject	White's Wood Academy			Mercer's Wood Academy			Local Authority			National		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Foundation Stage												
Children achieving GLD				33%	44%	50%	77%	67%	69.1%	52%	60%	66.3%
Scoring 2+ in prime ELGs				41%	44%	60%	77%	78%	-	52%	72%	-
Scoring 2+ in specific ELGs				41%	48%	50%	-	68%	-	-	60%	-
Scoring 2+ in every ELG				33%	44%	50%	62%	66%	-	42%	58%	-
Average Point Score				27.9	30.1	32.6	-	35.4	-	-	33.8	-
Year 1 Phonics Screening Test				62%	75%	79%	76%	79%	77.9%	69%	74%	76.8%
Key Stage 1												
2c+ Reading				82%	83%	87%	88%	89%	90.2%	89%	90%	90.5%
2c+ Writing				82%	83%	83%	86%	85%	86.3%	85%	86%	87.5%
2c+ Maths				78%	90%	87%	92%	91%	92.1%	91%	92%	92.8%
2b+ Reading				59%	67%	77%	78%	78%	80.3%	79%	81%	82.1%
2b+ Writing				47%	60%	60%	67%	68%	69.8%	67%	70%	72.1%
2b+ Maths				65%	70%	73%	78%	78%	79.9%	78%	80%	81.6%
3+ Reading				24%	20%	20%	29%	29%	30.5%	29%	31%	31.9%
3+ Writing				12%	13%	13%	16%	16%	16.4%	15%	16%	17.5%
3+ Maths				12%	17%	20%	23%	23%	24.5%	23%	24%	26%
Key Stage 2												
Reading L4+	98%	98%	100%	87%	92%	100%	87%	88%	87.9%	86%	89%	89%
Reading L5+	73%	93%	93%	35%	60%	39%	46%	49%	47.5%	44%	50%	48.1%
Reading L6	0	0	0	0	0	0	0	0	0.2%	0	0	0.2%
Writing L4+	93%	91%	91%	83%	88%	87%	84%	85%	85.4%	83%	85%	86.5%
Writing L5+	28%	27%	28%	4%	28%	30%	34%	32%	35.3%	30%	33%	35.7%
Writing L6	0	2%	0	0	0	0	2%	2%	1.9%	2%	2%	2.1%
Maths L4+	100%	98%	78%	100%	96%	70%	85%	84%	85.2%	85%	86%	86.9%
Maths L5+	73%	55%	13%	46%	40%	13%	41%	39%	39.2%	41%	42%	41.4%
Maths L6	15%	20%	2%	9%	16%	9%	6%	7%	6.1%	6%	9%	8.7%
SPAG L4+	85%	98%	76%	78%	92%	65%	73%	74%	78.1%	74%	76%	80%
SPAG L5+	58%	86%	37%	65%	72%	26%	47%	49%	53%	47%	52%	55.5%
SPAG L6	0	20%	4%	0	0	0	2%	3%	2.8%	2%	4%	3.8%
Combined L4+ R, W, M	93%	89%	72%	83%	80%	65.2%	76%	77%	78%	75%	79%	79.8%
Combined L5+ R, W, M	23%	25%	13%	4%	16%	13%	22%	22%	22.6%	21%	24%	23.9%
Pupils making expected progress in Reading	100%	100%	100%	95%	96%	100%	90%	91%	90.3%	88%	91%	90.9%
Pupils making expected progress in Writing	97%	98%	91%	95%	100%	100%	90%	93%	93%	91%	93%	94%
Pupils making expected progress in Maths	100%	100%	67%	100%	100%	78.3%	93%	88%	87.4%	88%	89%	89.6%
Pupils exceeding progress in Reading	70%	72%	71.1%	45%	76%	52.2%	34%	36%	-	30%	35%	-
Pupils exceeding progress in writing	32%	28%	20%	20%	52%	43.5%	34%	32%	-	30%	33%	-
Pupils exceeding progress in maths	68%	58%	2.2%	65%	56%	21.7%	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.

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.

This year there has been investment in growing the Consultancy 'arm' of the Trust's work, which has already brought funds into the Trust. The Trust has secured vital contracts to deliver school to school support and is now growing its reputation and contacts. The Trust has made significant investment in IT ensuring that all pupils have access to up to date IT and that staff have the resources they need to deliver a curriculum fit for purpose in today's world.

The Trust has used some resources to facilitate opportunities for staff to have access to quality training and opportunities outside the Trust as part of its retention and recruitment plans. The Trust has used the funds allocated for the new school well with a focus on the important aspects of Early Years learning, using staffing expertise across all schools. This has enabled the Trust to share the costs and retain important expertise for the new school.

The Trust has invested in the local community by employing 3 apprentices in the offices and offering posts in the new school. This will enable the Trust to invest in the future and secure its place within the local community. Within this, the Trust is continuously reviewing its staffing structures and capacity across all three schools ready for further growth.

b. RESERVES POLICY

The Directors review the reserve levels of the Trust on an annual basis, or more frequently if deemed necessary. The 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 £128,000. 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 maximize the return on any such surplus funds, while ensuring that risk is avoided insofar as is possible.

d. PRINCIPAL RISKS AND UNCERTAINTIES

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

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 minimize 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 Trust has an active H&S culture in place that extends from the children, staff, Directors, members and public. The Trust 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 Trust remain unchanged.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Trust has had an exciting and challenging year, working towards the opening of its third School, Castle Wood Academy whilst consolidating and progressing its existing schools. All service and supplier contracts have been reviewed and synchronized across the Trust, securing Best Value.

Next, the Trust will embed the changes to staffing and systems it has made during the last academic year and it will prepare for more curriculum changes during the next academic year and external demands related to standards for children assessed at the end of each Key Stage.

White's Wood Academy and Mercer's Wood Academy - overview

Priority	Area	Detail
1	TEACHING AND LEARNING	• To improve Grammar teaching across the schools • To embed effective phonics teaching across the Key Stages • To improve writing progress • To embed the changes for Mathematics expectations across the schools • To improve the impact of assessment for learning
2	LEADERSHIP	• To develop the impact of subject leadership across the Trust • To develop the impact of Middle Leaders
3	THE SCHOOL IN THE COMMUNITY	• To develop community events across all schools • To develop community learning • To develop links – school to school (local), within UK (national), International (global) • To develop a school 'passport'

The Trust Development Plan – overview

Priority	Area	Detail
1	Teaching School Status	Secure Teaching school status through a summer application, with Strategic partners and alliance members The Big Six
2	Growing the Trust	Either through consultancy contacts or via RSC find new schools to join the Trust to expand
3	Growing the consultancy	Via links through NLE work/contacts or direct marketing, secure and grow the consultancy roles and attract funds into the Trust

Castle Wood 6 monthly starter plan - overview

Priority	Area	Detail
1	TEACHING AND LEARNING Ensuring high quality provision for EYFS	• Using established outstanding practice to lead the EY provision • Supporting NQTs to ensure high quality provision • Ensuring all areas of learning are resourced to meet the EY needs • Choose provider and carry out full baseline assessments
2	LEADERSHIP Ensuring high quality leadership	• Setting up systems and structures to establish strong leadership • Utilising expertise across the Trust • Developing a strong vision and ethos for Castle Wood Academy in line with the Trust (developing a strong individual identity) • Ensuring high quality governance which can grow with the school
3	THE WIDER COMMUNITY Promoting the school in the wider community	• Securing home-school communication and building relationships • Developing opportunities for parents to engage with the school community • Developing and responding to the parent voice

FUNDS HELD AS CUSTODIAN TRUSTEES ON BEHALF OF OTHERS

There are no funds held as Custodian Trustees on behalf of others for the year ending 31 August 2015.

DISCLOSURE OF INFORMATION TO AUDITOR

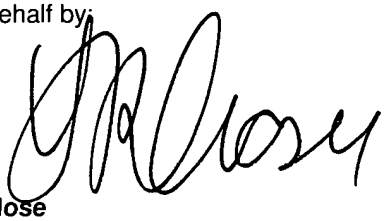
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- the 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 1 December 2015 and signed on the board's behalf by:



V-L Clarke
Chair of Directors



S 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 5 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
E Brown	0	5
M Cook	0	1
G Garfoot	0	5
D Fox, Chair of Resource Committee	0	0
J Dunderdale	2	5
R Kirman	5	5
B Darby, Staff Director	5	5
S Close	5	5
S Wilson, Staff Director	5	5
V-L Clarke, Chair from 23 October 2014	5	5
S Bond	2	5
M North	0	1
R Sampher	3	4
C Jackson	2	2

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.

GOVERNANCE STATEMENT (continued)

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
R Kirman	3	3
G Garfoot	0	3
R Kirman	3	3
S Close	3	3
B Darby	3	3
S Wilson	3	3
V-L Clarke	3	3
R Sampher	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Executive Principal has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

Improving Educational Results

The School Development Plan details the educational targets each year for the Trust, and provides the framework for the annual budget, setting out how resources need to be allocated to achieve the Trust's main priorities, and thus provide good value for money. The Annual Whole Trust Review is carried out each Autumn Term to assess the past year's performance and to set future priorities.

Financial Governance and Oversight

Our system of financial governance includes regular monitoring by the Board of Directors and the Accounting Officer. Members of the Finance Committee receive monthly management accounts and updates, which are then reviewed, discussed, and challenged, where appropriate, at the Finance Committee meetings. Directors who are not members of the Finance Committee also receive management account information on a quarterly basis.

The Finance Committee, which has taken on the functions of an Audit Committee, is informed by the Internal Auditor on a regular basis.

Better Purchasing and a Cost Efficiency Culture

The Trust has a well established purchasing policy for goods and services, to ensure the best value for money from all purchases. Regular comparisons are made online for goods to ensure the best value is achieved. In addition, the necessity to incur an item of expenditure is assessed, even for regular long standing items of expenditure, to ensure the need still exists.

In order to achieve a balanced budget in future years the Trust has sought to imbed a culture of cost efficiency across the entire school to include all areas of expenditure, across all departments in the Trust. We have a clear Tender Policy for the purchasing of goods or services costing over a given limit. Decisions for purchases greater than the limit are reported back to the Finance Committee, whereas even higher value purchases must receive prior approval by the Finance Committee.

During the year we have made substantial savings in expenditure in several areas.

Reviewing Controls and Managing Risks

The Trust's Risk Register is reviewed and updated on an annual basis by the Board of Directors. The financial procedures manual sets out the internal controls in place to mitigate financial risk and ensure that there is sufficient segregation of duties within the Finance Department.

Budget holders are given regular updates of their budget, to ensure that spend is kept within budget. Budget holders are also given advance warning of any potential future cuts to their budgets so that they may plan their future expenditure accordingly.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Tall Oaks Academy Trust Ltd for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of 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.

In particular the checks carried out in the current period included:

- review of systems and controls over income, purchases and payroll;
- review of the requirements of the Academies Financial Handbook to ensure that they are being met by the Trust; and
- confirmation of control account reconciliations.

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:

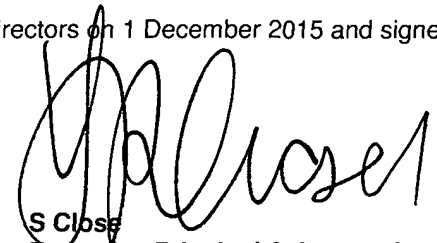
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 1 December 2015 and signed on its behalf, by:



V-L Clarke
Chair of Directors



S 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 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 Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Trust Board of Directors are able to identify any material, irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook (2014).

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.

S Close
Executive Principal & Accounting Officer

Date: 1 December 2015

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

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 1 December 2015 and signed on its behalf by:

V-L Clarke
Chair of Directors

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

We have audited the financial statements of Tall Oaks Academy Trust Ltd for the year ended 31 August 2015 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 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Trust and its members, as a body, for our audit work, for this report, or for the 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 charitable 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 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 charitable Trust's affairs as at 31 August 2015 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 2014 to 2015 issued by the Education Funding Agency.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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

Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW
11 December 2015

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 15 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 2014, 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 to 2015. 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 2014 to 31 August 2015 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 to 2015 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- A review of the academy's systems and controls and confirmation of the operation and effecitveness during the year;
- A review of expenditure to confirm the appropriateness and value of money; and
- A review of connected party arrangements, transactions and balances.

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 2014 to 31 August 2015 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

Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW

11 December 2015

TALL OAKS ACADEMY TRUST LTD

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	17	-	17	*5*
Activities for generating funds	3	16	-	-	16	*8*
Funding for Academy's educational operations	4	74	2,263	73	2,410	*2,172*
TOTAL INCOMING RESOURCES		90	2,280	73	2,443	*2,185*
RESOURCES EXPENDED						
Charitable activities	6	134	2,080	62	2,276	*1,870*
Governance costs	7	-	19	-	19	*15*
TOTAL RESOURCES EXPENDED	5	134	2,099	62	2,295	*1,885*
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(44)	181	11	148	*300*

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
Transfers between Funds	15	**22**	**(123)**	**101**	**-**	-
NET INCOME FOR THE YEAR		**(22)**	**58**	**112**	**148**	*300*
Actuarial gains and losses on defined benefit pension schemes		**-**	**-**	**-**	**-**	*(109)*
NET MOVEMENT IN FUNDS FOR THE YEAR		**(22)**	**58**	**112**	**148**	*191*
Total funds at 1 September 2014		*145*	*(346)*	*2,785*	*2,584*	*2,393*
TOTAL FUNDS AT 31 AUGUST 2015		**123**	**(288)**	**2,897**	**2,732**	*2,584*

All activities relate to continuing operations.

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

The notes on pages 26 to 43 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 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Tangible assets	12		**2,897**		*2,785*
CURRENT ASSETS					
Debtors	13	**143**		*288*	
Cash at bank		**252**		*287*	
		395		*575*	
CREDITORS: amounts falling due within one year	14	**(130)**		*(383)*	
NET CURRENT ASSETS			**265**		*192*
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,162**		*2,977*
Defined benefit pension scheme liability	21		**(430)**		*(393)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			**2,732**		*2,584*
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	15	**142**		*47*	
Restricted fixed asset funds	15	**2,897**		*2,785*	
Restricted funds excluding pension liability		**3,039**		*2,832*	
Pension reserve		**(430)**		*(393)*	
Total restricted funds			**2,609**		*2,439*
Unrestricted funds	15		**123**		*145*
TOTAL FUNDS			**2,732**		*2,584*

The financial statements were approved by the Directors, and authorised for issue, on 1 December 2015 and are signed on their behalf, by:

V-L Clarke
Chair of Directors

S Close
Executive Principal & Accounting Officer

The notes on pages 26 to 43 form part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £000	*2014 £000*
Net cash flow from operating activities	17	**80**	*84*
Capital expenditure and financial investment	18	**(115)**	*(105)*
DECREASE IN CASH IN THE YEAR		**(35)**	*(21)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £000	*2014 £000*
Decrease in cash in the year	**(35)**	*(21)*
MOVEMENT IN NET FUNDS IN THE YEAR	**(35)**	*(21)*
Net funds at 1 September 2014	**287**	*308*
NET FUNDS AT 31 AUGUST 2015	**252**	*287*

The notes on pages 26 to 43 form part of these financial statements.

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 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

1.3 Incoming resources

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

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

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

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

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.

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

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

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. ACCOUNTING POLICIES (continued)

1.7 Operating leases

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

1.8 Taxation

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

1.9 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 21, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on 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 2015 £000	Restricted funds 2015 £000	Total 2015 £000	*Total 2014 £000*
Voluntary income	-	17	17	*5*

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total 2015 £000	*Total 2014 £000*
Hire of facilities	9	-	9	*8*
Consultancy	7	-	7	*-*
	16	-	16	*8*

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total 2015 £000	*Total 2014 £000*
EFA grants				
EFA capital grants	-	73	73	*245*
General Annual grant (GAG)	-	1,649	1,649	*1,545*
Other EFA grants	-	345	345	*310*
	-	2,067	2,067	*2,100*
Other government grants				
Special Educational Needs	-	6	6	*15*
Other grants	-	263	263	*-*
	-	269	269	*15*
Other funding				
Parental contributions and other income	74	-	74	*57*
	74	-	74	*57*
	74	2,336	2,410	*2,172*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

5. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs	Non Pay Expenditure		Total	*Total*
		Premises	Other costs		
	2015	2015	2015	2015	*2014*
	£000	£000	£000	£000	*£000*
Direct costs	1,282	-	82	1,364	*1,269*
Support costs	364	187	361	912	*601*
Charitable activities	1,646	187	443	2,276	*1,870*
Governance	1	-	18	19	*15*
	1,647	187	461	2,295	*1,885*

6. CHARITABLE ACTIVITIES

	Total 2015 £000	*Total 2014 £000*
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	**1,051**	*966*
National insurance	**73**	*68*
Pension cost	**156**	*141*
Educational Supplies	**34**	*45*
Staff Development	**10**	*5*
Educational Consultancy	**38**	*19*
Other Direct Costs	**2**	*17*
	1,364	*1,261*
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	**280**	*200*
National insurance	**13**	*9*
Pension cost	**71**	*43*
Depreciation	**62**	*23*
Pension finance cost	**8**	*8*
Maintenance of Premises and Equipment	**46**	*39*
Rent and Rates	**24**	*26*
Insurance	**55**	*30*
Light and Heat	**26**	*27*
Cleaning	**6**	*6*
Water	**6**	*6*
Security and Transport	**7**	*13*
Other Premises Costs	**24**	*13*
Catering	**102**	*72*
Other Support Costs	**182**	*94*
	912	*609*
	2,276	*1,870*

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total 2015 £000	*Total 2014 £000*
Auditors' remuneration	**-**	**6**	**6**	*4*
Legal fees	**-**	**12**	**12**	*9*
Clerical costs	**-**	**1**	**1**	*2*
	-	**19**	**19**	*15*

8. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £000	*2014 £000*
Wages and salaries	**1,331**	*1,168*
Social security costs	**87**	*77*
Other pension costs (Note 21)	**227**	*184*
	1,645	*1,429*
Supply teacher costs	**2**	*8*
Staff restructuring costs	**-**	*9*
	1,647	*1,446*

b. Staff severance payments

There were no staff restructuring costs during 2015. The previous year represented one non-statutory severance payment of £9,300.

c. Staff numbers

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

	2015 No.	*2014 No.*
Teachers	**27**	*25*
Administration and Support	**52**	*48*
Management	**8**	*6*
	87	*79*

d. Higher paid staff

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

	2015 No.	*2014 No.*
In the band £60,001 - £70,000	**2**	*2*
In the band £90,001 - £100,000	**1**	*1*

Three of the above employees participated in the Teacher's Pension Scheme.

9. CENTRAL SERVICES

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

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

The Trust charges for these services on the following basis:

No recharges of costs were made in previous years given that the MAT was in the early stages of it's development.

The funding deficit within shared services brought forward and incurred during the year has been eliminated through recharges of costs to the two academies open throughout the year, Mercer's Wood and White's Wood. Costs have been split 30:70 respectively. This is deemed appropriate by the directors given the additional funding and associated costs received by White's Wood Academy given it's national support school status.

The actual amounts charged during the year were as follows:

	2015
	£000
White's Wood Academy	**474**
Mercer's Wood Academy	**203**
Total	**677**

10. DIRECTORS' REMUNERATION AND EXPENSES

One or more Directors has been paid remuneration or has received other benefits from an employment with the Trust. The Executive Principal and other Staff Directors only receive remuneration in respect of services they provide undertaking the roles of Executive Principal and other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

	2015	*2014*
	£000	*£000*
S Close, Executive Principal and Accounting Officer (Gross pay)	**80-85**	*80-85*
S Close, Executive Principal and Accounting Officer (Pension)	**10-15**	*10-15*
B Darby, Staff Governor (Gross pay)	**55-60**	*55-60*
B Darby, Staff Governor (Pension)	**5-10**	*5-10*
S Wilson, Staff Governor (Gross pay)	**55-60**	*55-60*
S Wilson, Staff Governor (Pension)	**5-10**	*5-10*

During the year, no Directors received any reimbursement of expenses (2014 - £444 to 2 Directors).

11. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the 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 2015 was £1,882 *(2014 - £1,775)*. The cost of this insurance is included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Property improvement £000	Total £000
Cost					
At 1 September 2014	**2,378**	**18**	**20**	**392**	**2,808**
Additions	**-**	**47**	**28**	**99**	**174**
At 31 August 2015	**2,378**	**65**	**48**	**491**	**2,982**
Depreciation					
At 1 September 2014	**-**	**6**	**7**	**10**	**23**
Charge for the year	**-**	**9**	**10**	**43**	**62**
At 31 August 2015	**-**	**15**	**17**	**53**	**85**
Net book value					
At 31 August 2015	**2,378**	**50**	**31**	**438**	**2,897**
At 31 August 2014	*2,378*	*12*	*13*	*382*	*2,785*

Long-term leasehold properties are held on 125-year leases from Lincolnshire County Council. They are valued in line with the EFA valuation.

13. DEBTORS

	2015 £000	*2014 £000*
VAT recoverable	**66**	*48*
Other debtors	**1**	-
Prepayments and accrued income	**76**	*240*
	143	*288*

14. CREDITORS:
Amounts falling due within one year

	2015 £000	*2014 £000*
Trade creditors	**48**	*326*
Other taxation and social security	**28**	*23*
Other creditors	**29**	*22*
Accruals and deferred income	**25**	*12*
	130	*383*

	£000
Deferred income	
Deferred income at 1 September 2014	**6**
Resources deferred during the year	**7**
Amounts released from previous years	**(6)**
Deferred income at 31 August 2015	**7**

Income deferred at 31 August 2015 relates to monies received in July 2015 for provision of Universal Free School Meals from September 2015.

15. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Carried Forward £000
Unrestricted funds					
General funds	145	90	(134)	22	123
Restricted funds					
General Annual Grant (GAG)	-	1,649	(1,613)	(33)	3
Other EFA grants	47	345	(339)	-	53
Other government funds	-	269	(93)	(90)	86
Other funds	-	17	(17)	-	-
Pension reserve	(393)	-	(37)	-	(430)
	(346)	2,280	(2,099)	(123)	(288)
Restricted fixed asset funds					
Assets transferred on conversion	2,378	-	-	-	2,378
Assets funded by GAG income	149	-	(24)	11	136
Assets funded by EFA capital grants	258	73	(35)	-	296
Assets funded by other government grants	-	-	(3)	90	87
	2,785	73	(62)	101	2,897
Total restricted funds	2,439	2,353	(2,161)	(22)	2,609
Total of funds	2,584	2,443	(2,295)	-	2,732

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

Other EFA grants represent funding received for specific projects.

Other government funds relates to local authority income restricted for a specific purpose, including the start up grant for Castle Wood academy.

Other funds includes voluntary grant income restricted for a specific purpose.

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

15. STATEMENT OF FUNDS (continued)

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.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £000
Mercer's Wood Academy	15
White's Wood Academy	164
Castle Wood Academy	86
Total before fixed asset fund and pension reserve	265
Restricted fixed asset fund	2,897
Pension reserve	(430)
Total	2,732

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	592	118	13	234	957
White's Wood Academy	523	114	13	244	894
Shared Services	198	87	2	103	390
Castle Wood Academy	6	17	6	25	54
	1,319	336	34	606	2,295

SUMMARY OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Carried Forward £000
General funds	145	90	(134)	22	123
Restricted funds	(346)	2,280	(2,099)	(123)	(288)
Restricted fixed asset funds	2,785	73	(62)	101	2,897
	2,584	2,443	(2,295)	-	2,732

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
Tangible fixed assets	-	-	2,897	2,897	*2,785*
Current assets	144	251	-	395	*575*
Creditors due within one year	(21)	(109)	-	(130)	*(383)*
Provisions for liabilities and charges	-	(430)	-	(430)	*(393)*
	123	(288)	2,897	2,732	*2,584*

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £000	*2014 £000*
Net incoming resources before revaluations	148	*300*
Depreciation of tangible fixed assets	62	*23*
Capital grants from EFA	(73)	*(245)*
Decrease/(increase) in debtors	145	*(234)*
(Decrease)/increase in creditors	(239)	*217*
FRS 17 adjustments	37	*23*
Net cash inflow from operations	80	*84*

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

	2015 £000	*2014 £000*
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(188)**	*(116)*
Capital grants from EFA	**73**	*11*
Net cash outflow capital expenditure	**(115)**	*(105)*

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £000	Cash flow £000	Other non-cash changes £000	31 August 2015 £000
Cash at bank and in hand:	**287**	**(35)**	**-**	**252**
Net funds	**287**	**(35)**	**-**	**252**

20. 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.

21. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £28,806 were payable to the scheme at 31 August 2015 (2014 - 21,647) 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.

21. PENSION COMMITMENTS (continued)

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £124,000 (2014 - £110,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £98,000, of which employer's contributions totalled £75,000 and employees' contributions totalled £23,000. The agreed contribution rates for future years are 19.9% for employers and a maximum of 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.

21. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £000	*Expected return at 31 August 2014 %*	*Fair value at 31 August 2014 £000*
Equities	**3.80**	**319**	*6.30*	*242*
Bonds	**3.80**	**56**	*3.60*	*42*
Property	**3.80**	**51**	*4.50*	*36*
Cash	**3.80**	**-**	*3.30*	*-*
Total market value of assets		**426**		*320*
Present value of scheme liabilities		**(856)**		*(713)*
Deficit in the scheme		**(430)**		*(393)*

The amounts recognised in the Balance sheet are as follows:

	2015 £000	*2014 £000*
Present value of funded obligations	**(856)**	*(713)*
Fair value of scheme assets	**426**	*320*
Net liability	**(430)**	*(393)*

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

	2015 £000	*2014 £000*
Current service cost	**(104)**	*(72)*
Interest on obligation	**(29)**	*(26)*
Expected return on scheme assets	**21**	*18*
Total	**(112)**	*(80)*
Actual return on scheme assets	**9**	*35*

21. PENSION COMMITMENTS (continued)

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

	2015 £000	*2014 £000*
Opening defined benefit obligation	**713**	*519*
Current service cost	**104**	*72*
Interest cost	**29**	*26*
Contributions by scheme participants	**23**	*18*
Actuarial (Gains)/losses	**(12)**	*79*
Benefits paid	**(1)**	*(1)*
Closing defined benefit obligation	**856**	*713*

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

	2015 £000	*2014 £000*
Opening fair value of scheme assets	**320**	*258*
Expected return on assets	**21**	*18*
Actuarial gains and (losses)	**(12)**	*(30)*
Contributions by employer	**75**	*57*
Contributions by employees	**23**	*18*
Benefits paid	**(1)**	*(1)*
	426	*320*

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £110,000 loss *(2014 - £110,000 loss)*.

The Trust expects to contribute £91,000 to its Defined benefit pension scheme in 2016.

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

	2015	*2014*
Equities	**75.00 %**	*76.00 %*
Bonds	**13.00 %**	*13.00 %*
Property	**12.00 %**	*11.00 %*

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

	2015	*2014*
Discount rate for scheme liabilities	**3.80 %**	*3.70 %*
Expected return on scheme assets at 31 August	**3.80 %**	*5.80 %*
Rate of increase in salaries	**4.10 %**	*4.00 %*
Rate of increase for pensions in payment / inflation	**2.70 %**	*2.70 %*

21. 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:

	2015	*2014*
Retiring today		
Males	**22.2**	*22.2*
Females	**24.4**	*24.4*
Retiring in 20 years		
Males	**24.5**	*24.5*
Females	**26.8**	*26.8*

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £000	*2014 £000*
Defined benefit obligation	**(856)**	*(713)*
Scheme assets	**426**	*320*
Deficit	**(430)**	*(393)*
Experience adjustments on scheme liabilities	**12**	*(79)*
Experience adjustments on scheme assets	**(12)**	*(30)*

22. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Trust had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £000	*2014 £000*	2015 £000	*2014 £000*
Expiry date:				
Between 2 and 5 years	-	*2*	**11**	-

23. RELATED PARTY TRANSACTIONS

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

There were no such transactions during the year.