Company Registration Number: 08395421 (England & Wales)

TALL OAKS ACADEMY TRUST LTD

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 AUGUST 2018

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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 / TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2018

Members	V-L Clarke G Garfoot S Bond
Trustees	V-L Clarke (resigned 9 February 2018) R Ashmore B Roberts C Jackson, Interim Chair of Trustees K Elvidge (resigned 8 May 2018) P Richmond (resigned 15 June 2018) C Kirk S Wilson, Executive Headteacher and Accounting Officer A Leng (appointed 17 July 2018) H Wells (appointed 18 October 2018)
Company registered number	08395421
Company name	Tall Oaks Academy Trust Ltd
Principal and registered office	White's Wood Academy Whites Wood Lane Gainsborough Lincolnshire DN21 1TJ
Company Secretary	Langleys Solicitors
Executive Leadership team	S Wilson, Executive Headteacher and Accounting Officer S Walker, Trust Business Manager C Fitzpatrick, Head of School (White's Wood Academy) A Willis, Inclusion Leader/SENDCo G Brown, Head of School (Castle Wood Academy) K Ola, Head of School (Mercer's Wood Academy)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS DIRECTORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Independent auditor	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln Lincolnshire LN1 1XW
Bankers	Lloyds Bank plc 202 High Street Lincoln Lincolnshire LN5 7AP
Solicitors	Langleys Solicitors Olympic House 995 Doddington Road Lincoln LN6 3SE

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Tall Oaks Academy Trust operates 3 primary academies within Gainsborough, Lincolnshire. Its academies have a combined pupil capactity of 630 and a roll of 537 in the school census in January 2018.

Structure, Governance and Management

Constitution

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

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

All Trustees undertake initial and continued training to develop skills and expertise in all areas of induction through a Governance Training and Development programme delivered by the Trust and outside agencies engaged by the Trust.

Organisational Structure

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

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

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

Trade Union Facility Time

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

Related Parties and other Connected Charities and Organisations

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

Objectives and Activities

Objects and Aims

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

Objectives, Strategies and Activities

The main objectives of the Trust during the year ended 31 August 2018 are summarised below:

Teaching, Learning and Assessment

Castle Wood Academy
- To plan provisions for more able pupils that ensure appropriate levels of challenge.
- To improve questioning and modelling (provide further CPD for teachers to develop ther use of this).
- To improve the impact of assessment for learning.
- To raise the profile of reading amongst all stakeholders.
- Develop use of ICT and other technology to support teaching and learning outcomes for the children. Particularly how we use technology to support the effective use of feedback to promote positive outcomes and accelerated progress for children.

Mercer's Wood Academy
- To improve spelling teaching and learning across the school.
- To improve the teaching and learning of reading comprehension particularly across KS2.
- To improve the impact of assessment for learning.

White's Wood
- To improve spelling.
- To improve reading comprehension.
- To improve assessment.

Leadership and Management

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

Mercer's Wood Academy
- To develop the impact of subject leadership across the school with particular reference to English (Reading and Spelling), Maths and Science.
- To develop the impact of the newly appointed AHOS (Assistant Head of School) to impact on teaching, learning and pupil outcomes.
- To develop the experience and expertise of the newly appointed HOS (Head of School). Starting January 2018.
- To develop the role of the local governing body.

White's Wood
- To develop English and Maths subject leadership.
- To increase the impact of the Assistant Head of School (AHOS).
- To develop the school-based Leadership Team (LT).

Personal Development, Behaviour and Welfare

Castle Wood Academy
- To improve attendance to above national by continuing to work with the families who cause the school concern, through parental and AHO involvement.
- To bring persistent absenteeism figures below national.
- Develop a more overt programme of work on E-safety for children as a part of our existing broad curriculum. This programme should also target all stakeholders, particularly parents and support them to protect their children at home, as well as prepare children for their next stage of education and life.

Mercer's Wood Academy
- To increase percentage attendance to at least 96%.
- To reduce the number of permanent exclusions and significantly reduce the number of fixed term exclusions.

White's Wood
- To achieve attendance >96%.
- To reduce fixed-term exclusions.

The strategies for achieving these objectives was to use a rigorous cycle of monitoring, evaluation and review to identify key areas.

Public Benefit

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

Strategic Report

Going Concern

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

Financial Review

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

This year the Trust has made further investments in leadership across all sites. All schools now have the structure of one Head of School and two Assistant Heads of School. Each Assistant Head of School has a clear remit in supporting the School Development Priorities of Teaching, learning and assessment and Personal Development behaviour and Welfare.
Supporting our most vulnerable children in attending school and removing barriers to learning is a top priority and so investments have been made in administration support for the Inclusion team.

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

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

Reserves Policy

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

The budget for 2018-19 was discussed and approved by a meeting of the Board of Directors on 17 July 2018 The budget was balanced to zero.

The amount of total funds at 31 August 2018 was £5,690,000 (2017: £5,689,000), of which £6,232,000 (2017: £6,270,000) can only be realised by disposing of tangible fixed assets. The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2018 is a net surplus of £92,000 (2017: £165,000).

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

Investment Policy

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

Principal Risks and Uncertainties

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

The most significant risks identified at the current time are:

- That the Trust will be required to join a larger Trust in order to operate in the future both financially and in terms of school improvement capacity.
- Failure to understand the current performance and the ongoing improvement needed at all schools within the Trust, leading to a fall in standards.
- Failure to ensure that the Governors/Trustees possess the skills and experience to hold the Executive Team to account.
- Introduction of the National Funding Formula.

Plans for Future Periods

From detailed data analysis of all 3 sites across the Trust the following key objectives have been set for the academic period 2018-19.

Teaching, Learning and Assessment

Castle Wood Academy

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

Mercer's Wood Academy

- To improve mathematics teaching and learning across the school.
- To improve the teaching and learning (and therefore outcomes) of the most able children.
- To develop accuracy and impact of assessment in core subjects.
- To improve the tracking of children from EYFS to Y6.

White's Wood Academy

- Increase the % of 'good' teaching and learning through a reflective coaching model (IDPs).
- Improve the standard of the teaching of reading through the embedding of whole class reading strategies.
- Improve the standard of teaching reasoning to improve outcomes in maths.
- Ensure pitch and expectation is consistent across the school to enable all learners to be challenged.
- Embed termly testing to support teacher assessment.

Leadership and Management

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

Mercer's Wood Academy
- To develop the impact and expertise of middle leadership across the school.
- To develop the impact of the newly appointed AHOS (Assistant Head of School) to impact on teaching, learning and pupil outcomes.
- To develop the experience and expertise of the HOS (Head of School).
- To develop the skills and role of the local governing body.

White's Wood Academy
- Continue to strengthen school-based leadership team to improve outcomes for all.
- Develop AHOS Teaching & Learning role to ensure all teaching is at least good with an increased % of outstanding.
- Develop AHOS Behaviour & Welfare role to reduce FTE.
- To develop middle leadership accountability.
- To establish a monitoring and evaluation timetable to ensure increasing governor impact and expectation.

Personal Development, Behaviour and Welfare

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

Mercer's Wood Academy
- To increase attendance to at least 96%.
- To reduce the percentage of persistent absenteeism to be in line with the national average.
- Behaviour across the school reflects the values in the new curriculum.

White's Wood Academy
- Improve whole-school attendance to ensure that it is at least in line with national figures.
- Reduce persistent absenteeism so that this is in line with national figures.
- Embed strategies for supporting children with challenging behaviours in order for them to access the curriculum.

Funds Held as Custodian Trustee on Behalf of Others

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Auditor

In so far as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2018 and signed on the board's behalf by:



C Jackson
Chair of Trustees (Interim)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
V-L Clarke	2	3
R Ashmore	4	5
B Roberts	3	5
C Jackson, Interim Chair of Trustees	5	5
K Elvidge	3	5
P Richmond	3	5
C Kirk	5	5
S Wilson, Executive Headteacher and Accounting Officer	4	5
A Leng	1	1

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

- Members : The Trust currently has 3 Members. As the Trust grows this will increase to at least 5.
- Trustees: The Trust appointed 2 new Trustees who bring a wealth of skills and expertise to the Board of Trustes.

- Local Governing Bodies: A Local Governing Body was set up for Castle Wood Academy in addition to the existing White's Wood Academy Local Governing Body and Mercer's Wood Academy Local Governing Body. The Board of Trustees has delegated specific responsibilities to the Local Governing Bodies. The Chair of each Local Governing Body is also a Trustee, acting as a link between the governance layers and providing assurance to Trustees.

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

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

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

REVIEW OF VALUE FOR MONEY

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

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

- **Improved procurement procedures**

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

- **Review of Suppliers and Services**

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

- **Review of Staffing arrangements**

The Trust has invested in new Schemes of Works to reduce staffing costs across the Trust. The Trust's Central Servicies Team has been streamlined in preparation for Trust Growth.

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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the 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 Trustees has considered the need for a specific internal audit function and has decided to appoint Audit Lincolnshire as internal auditor.

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

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

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

REVIEW OF EFFECTIVENESS

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

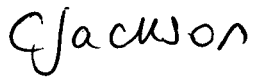
- the work of the internal auditor;

GOVERNANCE STATEMENT (continued)

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

Approved by order of the members of the Board of Trustees on 13 December 2018 and signed on their behalf, by:



C Jackson
Chair of Trustees (Interim)



S Wilson
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 Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Trustees 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 2017.

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

C Jacuson

S Wilson
Accounting Officer

Date: 13 December 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (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 Strategic report, the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the 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 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2018 and signed on its behalf by:

C Jackson

C Jackson
Chair of Trustees (Interim)

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

OPINION

We have audited the financial statements of Tall Oaks Academy Trust Ltd for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Directors' responsibilities, the Trustees (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. and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Trust's or to cease operations, or have no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



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
18 December 2018

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 18 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Tall Oaks Academy Trust Ltd's funding agreement with the Secretary of State for Education dated 20 February 2013, and the Academies Financial Handbook extant from 1 September 2016, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 2017 to 31 August 2018 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

18 December 2018

TALL OAKS ACADEMY TRUST LTD

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	*Total funds 2017 £000*
INCOME FROM:						
Donations & capital grants:						
Transfer of property from the local authority	2	-	-	-	-	*3,475*
Other donations and capital grants	2	-	-	14	14	*21*
Charitable activities	3	113	2,839	-	2,952	*2,669*
Other trading activities	4	10	-	-	10	*13*
TOTAL INCOME		123	2,839	14	2,976	*6,178*
EXPENDITURE ON:						
Charitable activities		174	2,985	88	3,247	*2,977*
TOTAL EXPENDITURE	5	174	2,985	88	3,247	*2,977*
NET BEFORE TRANSFERS		(51)	(146)	(74)	(271)	*3,201*
Transfers between Funds	15	-	(36)	36	-	*-*
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(51)	(182)	(38)	(271)	*3,201*
Actuarial gains on defined benefit pension schemes	21	-	272	-	272	*232*
NET MOVEMENT IN FUNDS		(51)	90	(38)	1	*3,433*
RECONCILIATION OF FUNDS:						
Total funds brought forward		51	(632)	6,270	5,689	*2,256*
TOTAL FUNDS CARRIED FORWARD		-	(542)	6,232	5,690	*5,689*

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Tangible assets	12		**6,232**		*6,271*
CURRENT ASSETS					
Debtors	13	**101**		*89*	
Cash at bank and in hand		**202**		*211*	
		303		*300*	
CREDITORS: amounts falling due within one year	14	**(213)**		*(137)*	
NET CURRENT ASSETS			**90**		*163*
TOTAL ASSETS LESS CURRENT LIABILITIES			**6,322**		*6,434*
Defined benefit pension scheme liability	21		**(632)**		*(745)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**5,690**		*5,689*
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	**92**		*113*	
Restricted fixed asset funds	15	**6,232**		*6,270*	
Restricted income funds excluding pension liability		**6,324**		*6,383*	
Pension reserve		**(634)**		*(745)*	
Total restricted income funds			**5,690**		*5,638*
Unrestricted income funds	15		**-**		*51*
TOTAL FUNDS			**5,690**		*5,689*

The financial statements on pages 22 to 48 were approved by the Directors, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:

C Jackson

C Jackson
Chair of Trustees (Interim)

S. Wilson

S Wilson
Executive Headteacher & Accounting Officer

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	*2017 £000*
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	17	**26**	*(70)*
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(49)**	*(26)*
Capital grants from DfE Group		**14**	*15*
Net cash used in investing activities		**(35)**	*(11)*
Change in cash and cash equivalents in the year		**(9)**	*(81)*
Cash and cash equivalents brought forward		**211**	*292*
Cash and cash equivalents carried forward	18	**202**	*211*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Tall Oaks Academy Trust Ltd constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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 receipt is probable 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

All expenditure is inclusive of irrecoverable VAT.

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	No depreciation
Furniture and fixtures	-	4 years straight line
Leasehold improvements	-	10 years straight line

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

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.

1.6 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1. ACCOUNTING POLICIES (continued)

1.7 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.8 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1. ACCOUNTING POLICIES (continued)

1.9 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

1.10 Operating leases

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

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at Bank and in hand

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

1.13 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. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trust trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	*Total funds 2017 £000*
Transfer of property from the local authority	-	-	-	-	*3,475*
Donations	-	-	-	-	*6*
Capital Grants	-	-	14	14	*15*
Subtotal	-	-	14	14	*21*
	-	-	14	14	*3,496*
Total 2017	*6*	*-*	*3,490*	*3,496*	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	*Total funds 2017 £000*
DfE/ESFA grants				
General Annual grant (GAG)	-	2,303	2,303	*2,194*
Other DfE/ESFA grants	-	475	475	*295*
	-	2,778	2,778	*2,489*
Other government grants				
Special Educational Needs	-	30	30	*8*
Local Authority grants	-	31	31	*88*
	-	61	61	*96*
Other funding				
Parental contributions and other income	113	-	113	*84*
	113	-	113	*84*
	113	2,839	2,952	*2,669*
Total 2017	*84*	*2,585*	*2,669*	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total 2018 £000	*Total 2017 £000*
Hire of facilities	10	-	10	*13*
	10	-	10	*13*
Total 2017	*13*	-	*13*	

5. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	*Total 2017 £000*
Direct costs	**1,821**	**-**	**125**	**1,946**	*1,737*
Support costs	**668**	**201**	**432**	**1,301**	*1,240*
	2,489	**201**	**557**	**3,247**	*2,977*
Total 2017	*2,260*	*121*	*596*	*2,977*	

6. CHARITABLE ACTIVITIES

	Total 2018 £000	*Total 2017 £000*
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	**1,439**	*1,307*
National insurance	**132**	*117*
Pension cost	**251**	*208*
Pension finance cost	**20**	*18*
Educational Supplies	**44**	*44*
Staff Development	**26**	*21*
Educational Consultancy	**30**	*21*
Supply Staff Costs	**4**	*-*
	1,946	*1,736*
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	**433**	*419*
National insurance	**25**	*28*
Pension cost	**210**	*180*
Depreciation	**88**	*103*
Maintenance of Premises and Equipment	**40**	*17*
Rent and Rates	**10**	*29*
Insurance	**15**	*33*
Light and Heat	**32**	*30*
Cleaning	**9**	*6*
Water	**7**	*6*
Security and Transport	**11**	*12*
Other Premises Costs	**33**	*25*
Catering	**147**	*145*
Other Support Costs	**160**	*112*
Auditor's remuneration	**12**	*9*
Legal & Professional Fees	**69**	*86*
	1,301	*1,240*
	3,247	*2,976*

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	*2017 £000*
Depreciation of tangible fixed assets:		
- owned by the trust	**88**	*103*
Auditor's remuneration - audit	**9**	*9*
Auditor's remuneration - other services	**3**	*3*
Operating lease rentals	**7**	*5*

8. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £000	*2017 £000*
Wages and salaries	**1,872**	*1,696*
Social security costs	**157**	*145*
Operating costs of defined benefit pension schemes	**460**	*389*
	2,489	*2,230*
Agency staff costs	**-**	*30*
	2,489	*2,260*

Staff restructuring costs comprise:

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

There were no non-statutory severence payments during the year.

c. Staff numbers

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

	2018 No.	*2017 No.*
Teachers	**33**	*27*
Administration and Support	**62**	*54*
Management	**6**	*7*
	101	*88*

d. Higher paid staff

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

	2018 No.	*2017 No.*
In the band £60,001 - £70,000	**1**	*1*

The above employee participated in the Teacher's Pension Scheme.

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £309,000 (2017 - £292,000).

9. TRUSTEES' REMUNERATION AND EXPENSES

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of 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:

		2018	*2017*
		£000	*£000*
S Wilson, Executive Headteacher and Accounting Officer	Remuneration	**65-70**	*60-65*
	Pension contributions paid	**10-15**	*10-15*

During the year, no Directors received any benefits in kind (2017 - £NIL).
During the year ended 31 August 2018, no Directors received any reimbursement of expenses (2017 - £NIL).

10. 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:

The funding deficit within shared services brought forward and incurred during the year has been eliminated through recharges of costs to the three academies in the Multi Academy Trust. Costs have been split 40% to White's Wood Academy, 40% to Mercer's Wood Academy and 20% to Castle Wood Academy. This is deemed appropriate by the trustees.

The actual amounts charged during the year were as follows:

	2018	*2017*
	£000	*£000*
White's Wood Academy	**156**	*223*
Mercer's Wood Academy	**156**	*134*
Castle Wood Academy	**78**	*89*
Total	**390**	*446*

11. TRUSTEES' AND OFFICERS' INSURANCE

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

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £000	Fixtures and Fittings £000	Property improvem't £000	Total £000
Cost				
At 1 September 2017	**5,853**	**130**	**564**	**6,547**
Additions	**-**	**12**	**37**	**49**
At 31 August 2018	**5,853**	**142**	**601**	**6,596**
Depreciation				
At 1 September 2017	**-**	**70**	**206**	**276**
Charge for the year	**-**	**36**	**52**	**88**
At 31 August 2018	**-**	**106**	**258**	**364**
Net book value				
At 31 August 2018	**5,853**	**36**	**343**	**6,232**
At 31 August 2017	*5,853*	*60*	*358*	*6,271*

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

13. DEBTORS

	2018 £000	*2017 £000*
VAT recoverable	**35**	*7*
Prepayments and accrued income	**66**	*82*
	101	*89*

14. CREDITORS: Amounts falling due within one year

	2018 £000	*2017 £000*
Trade creditors	**62**	*36*
Other taxation and social security	**39**	*32*
Other creditors	**38**	*33*
Accruals and deferred income	**74**	*36*
	213	*137*

	2018 £000	*2017 £000*
Deferred income		
Deferred income at 1 September 2017	**21**	*21*
Resources deferred during the year	**61**	*23*
Amounts released from previous years	**(21)**	*(21)*
Deferred income at 31 August 2018	**61**	*23*

Income deferred at 31 August 2018 relates to monies received in July 2018 for provision of Universal Infant Free School Meals from September 2018.

15. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Designated Funds - all funds	51	123	(174)	-	-	-
Restricted funds						
General Annual Grant (GAG)	94	2,839	(2,824)	(36)	-	73
Other ESFA Restricted Funds	19	-	-	-	-	19
Pension reserve	(745)	-	(161)	-	272	(634)
	(632)	2,839	(2,985)	(36)	272	(542)
Restricted fixed asset funds						
Assets transferred on conversion	5,853	-	-	-	-	5,853
Assets funded by GAG income	130	-	(88)	36	-	78
Assets funded by DfE capital grants	229	14	-	-	-	243
Assets funded by other government grants	58	-	-	-	-	58
	6,270	14	(88)	36	-	6,232
Total restricted funds	5,638	2,853	(3,073)	-	272	5,690
Total of funds	5,689	2,976	(3,247)	-	272	5,690

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

Unrestricted funds

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

Restricted funds

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

15. STATEMENT OF FUNDS (continued)

Other ESFA 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.

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 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	*Total 2017 £000*
Mercer's Wood Academy	**43**	*59*
White's Wood Academy	**22**	*63*
Castle Wood Academy	**27**	*42*
Total before fixed asset fund and pension reserve	**92**	*164*
Restricted fixed asset fund	**6,232**	*6,270*
Pension reserve	**(634)**	*(745)*
Total	**5,690**	*5,689*

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 excluding depreciation £000**	**Total 2018 £000**	*Total 2017 £000*
Mercer's Wood Academy	**645**	**158**	**10**	**225**	**1,038**	*1,004*
White's Wood Academy	**703**	**136**	**18**	**185**	**1,042**	*964*
Castle Wood Academy	**333**	**98**	**15**	**130**	**576**	*461*
Shared Services	**191**	**276**	**1**	**15**	**483**	*445*
	1,872	**668**	**44**	**555**	**3,139**	*2,874*

15. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	*Income £000*	*Expenditure £000*	*Transfers in/out £000*	*Gains/ (Losses) £000*	*Balance at 31 August 2017 £000*
General funds						
Unrestricted Funds	*68*	*103*	*(121)*	-	-	*50*
Restricted funds						
General Annual Grant (GAG)	*74*	*2,194*	*(2,163)*	*(11)*	-	*94*
Other ESFA Restricted Funds	*53*	*295*	*(329)*	-	-	*19*
Other government restricted funds	*36*	*96*	*(132)*	-	-	-
Pension reserve	*(846)*	-	*(131)*	-	*232*	*(745)*
	(683)	*2,585*	*(2,755)*	*(11)*	*232*	*(632)*
Restricted fixed asset funds						
Assets transferred on conversion	*2,378*	*3,475*	-	-	-	*5,853*
Assets funded by GAG income	*153*	-	*(34)*	*11*	-	*130*
Assets funded by DfE capital grants	*272*	*15*	*(58)*	-	-	*229*
Assets funded by other government grants	*69*	-	*(11)*	-	-	*58*
	2,872	*3,490*	*(103)*	*11*	-	*6,270*
Total restricted funds	*2,189*	*6,075*	*(2,858)*	-	*232*	*5,638*
Total of funds	*2,257*	*6,178*	*(2,979)*	-	*232*	*5,688*

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Designated funds						
Designated funds	-	123	(174)	-	-	(51)
General funds						
Unrestricted Funds	68	103	(121)	-	-	50
Total Unrestricted funds	68	226	(295)	-	-	(1)
Restricted funds						
General Annual Grant (GAG)	74	5,033	(4,987)	(47)	-	73
Other ESFA Restricted Funds	53	295	(329)	-	-	19
Other government restricted funds	36	96	(132)	-	-	-
Pension reserve	(846)	-	(292)	-	504	(634)
	(683)	5,424	(5,740)	(47)	504	(542)
Restricted fixed asset funds						
Assets transferred on conversion	2,378	3,475	-	-	-	5,853
Assets funded by GAG income	153	-	(122)	47	-	78
Assets funded by DfE capital grants	272	29	(58)	-	-	243
Assets funded by other government grants	69	-	(11)	-	-	58
	2,872	3,504	(191)	47	-	6,232
	2,189	8,928	(5,931)	-	504	5,690
Total of funds	2,257	9,154	(6,226)	-	504	5,689

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	6,232	6,232
Current assets	-	304	-	304
Creditors due within one year	-	(214)	-	(214)
Provisions for liabilities and charges	-	(632)	-	(632)
	-	(542)	6,232	5,690

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	*Restricted funds*	*Restricted fixed asset funds*	*Total funds*
	2017 £000	*2017 £000*	*2017 £000*	*2017 £000*
Tangible fixed assets	-	-	*6,270*	*6,270*
Current assets	*50*	*249*	-	*299*
Creditors due within one year	-	*(136)*	-	*(133)*
Provisions for liabilities and charges	-	*(745)*	-	*(745)*
	50	*(632)*	*6,270*	*5,689*

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £000	*2017 £000*
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(271)	*3,201*
Adjustment for:		
Depreciation charges	88	*103*
(Increase)/decrease in debtors	(12)	*56*
Increase/(decrease) in creditors	76	*(71)*
Capital grants from DfE and other capital income	(14)	*(15)*
Value of property transferred from the local authority	-	*(3,475)*
Pension adjustment	159	*131*
Net cash provided by/(used in) operating activities	26	*(70)*

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £000	*2017 £000*
Cash in hand	**202**	*211*
Total	**202**	*211*

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. CAPITAL COMMITMENTS

At 31 August 2018 the Trust had capital commitments as follows:

	2018 £000	*2017 £000*
Contracted for but not provided in these financial statements	**-**	*9*

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 Multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

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.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial

21. PENSION COMMITMENTS (continued)

scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £112,000 *(2017 - £158,000).*

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

Under the definitions set out in FRS 102, 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 2018 was £168,000 *(2017 - £153,000)*, of which employer's contributions totalled £131,000 *(2017 - £118,000)* and employees' contributions totalled £37,000 *(2017 - £35,000).* 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.
Principal actuarial assumptions:

	2018	*2017*
Discount rate for scheme liabilities	**2.80 %**	*2.50 %*
Rate of increase in salaries	**2.70 %**	*2.80 %*
Rate of increase for pensions in payment / inflation	**2.30 %**	*2.40 %*

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:

	2018	*2017*
Retiring today		
Males	**22.1**	*22.1*
Females	**24.4**	*24.4*
Retiring in 20 years		
Males	**24.1**	*24.1*
Females	**26.6**	*26.6*

Sensitivity analysis	**At 31 August 2018 £000**	*At 31 August 2017 £000*
0.5% decrease in Real Discount Rate	**273**	*250*
0.5% increase in the Salary Increase Rate	**43**	*46*
0.5% increase in the Pension Increase Rate	**227**	*200*

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

	Fair value at 31 August 2018 £000	*Fair value at 31 August 2017 £000*
Equities	**877**	*744*
Bonds	**180**	*114*
Property	**132**	*86*
Cash and other liquid assets	**13**	*10*
Total market value of assets	**1,202**	*954*

The actual return on scheme assets was £84,000 *(2017 - £136,000).*

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £000	*2017 £000*
Current service cost	**(272)**	*(231)*
Interest cost	**(20)**	*(18)*
Total	**(292)**	*(249)*
Actual return on scheme assets	**84**	*136*

21. PENSION COMMITMENTS (continued)

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

	2018 £000	*2017 £000*
Opening defined benefit obligation	**1,699**	*1,512*
Current service cost	**272**	*231*
Interest cost	**20**	*34*
Employee contributions	**37**	*35*
Changes in assumptions	**(216)**	*(112)*
Benefits paid	**(2)**	*(1)*
Closing defined benefit obligation	**1,810**	*1,699*

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

	2018 £000	*2017 £000*
Opening fair value of scheme assets	**954**	*666*
Interest income	**26**	*16*
Expected return on assets	**56**	*120*
Employer contributions	**131**	*118*
Employee contributions	**37**	*35*
Benefits paid	**(2)**	*(1)*
Closing fair value of scheme assets	**1,202**	*954*

22. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	*2017 £000*
Amounts payable:		
Within 1 year	**7**	*7*
Between 1 and 5 years	**6**	*13*
Total	**13**	*20*

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

24. MEMBERS' LIABILITY

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