Company Registration No. 08100344 (England and Wales)

TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

CONTENTS

TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

Governors (who are also trustees)

Julie Adkins	(Parent Governor)		
Clare Blackhurst	(Staff Governor)	(Resigned 7 November 2015)	
Trudy Boyle	(Community Governor)		
Thomas Crotty	(Community Governor)	(Resigned 15 December 2015)	*
Avis France	(Parent Governor)		
Dawn Joyce	(Community Governor)		#
Sarah Lee	(Head Teacher)		*#
Michael Lomas	(Parent Governor)		*
Caryle Sinnott	(Staff Governor)	(Resigned 5 January 2016)	*
Sally Sissons	(Community Governor)	(Resigned 15 October 2015)	#
Jane Stephens	(Community Governor)		*
Nigel Taylor	(Community Governor)		*#
John Waddington	(Chair of Governors)		#
Stephen Williams	(Community Governor)	(Resigned 22 June 2016)	
Harry Ziman	(Community Governor)		#
Richard Gillard	(Staff Governor)	(Resigned 1 December 2015)	
Andrew Davies	(Community Governor)		
James Bowland	(Staff Governor)	(Appointed 10 December 2015)	
Alison Senior	(Staff Governor)	(Appointed 10 December 2015)	*
Rachel Simms	(Parent Governor)	(Appointed 10 December 2015)	
Sharon Varey	(Parent Governor)	(Appointed 10 December 2015)	
Roger Craig	(Parent Governor)	(Appointed 10 December 2015)	
Jane Hough	(Staff Governor)	(Appointed 5 January 2016)	*

* members of the resources committee
\# members of the strategic committee

Members

Sarah Lee
Nigel Taylor
John Waddington
Harry Ziman
Dawn Joyce - appointed as member 7 July 2016
Thomas Crotty - resigned as member 21 June 2016
Sally Sissons - resigned as member 25 June 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Senior leadership team

- Headteacher	Sarah Lee
- Deputy Head Teacher	Liam Martin
- Deputy Head Teacher	Jason Lowe
- Assistant Head Teacher	Paul Gildea
- Assistant Head Teacher	Christopher Nuttall
- Assistant Head Teacher	Ffion Eaton
- Associate Assistant Head Teacher	Clare Blackhurst
- Associate Assistant Head Teacher	Helen Nutton
- Director of Finance and Operations	Jonathan Hayes
Company secretary	Jonathan Hayes
Company registration number	08100344 (England and Wales)
Principal address	Eaton Road Tarporley Cheshire CW6 0BL United Kingdom
Independent auditor	Hall Livesey Brown HLB House 68 High Street Tarporley Cheshire CW6 0AT
Bankers	Lloyds Bank plc 8 Foregate Street Chester Cheshire CH1 1XP

The Governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an Academy for pupils aged 11 to 18 serving a catchment area in Cheshire West and Chester. It has a pupil capacity of 1048 and had a roll of 1157 in the school census on 1 October 2016.

Structure, governance and management

Constitution

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

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

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

Members' liability

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

Governors' indemnities

In accordance with normal commercial practice, for the period 1 September 2015 to 31 August 2016 the school joined the UK Government's Risk Protection Arrangement (RPA) to protect Members, Governors and Officers from claims arising from negligent acts, errors or omissions whilst on Academy business. The limit of this indemnity was unlimited.

Principal activities

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

The Academy, as an outstanding school, is the lead school of the Cheshire Vale Teaching School Alliance, for operational purposes this is a separate business unit within the Academy Trust. The principle activities of the Teaching School are to deliver Initial Teacher Training/School Direct, CPD/Leadership Development, Succession Planning/Talent Management, School to School support, and Research and Development, primarily within the Cheshire West and Chester local authority area. 2015-16 has been the second year of activity of this business unit with the focus being continuing the development of the alliance amongst partner schools, facilitating support of a school in challenging circumstances and putting in places the necessary systems to deliver School Direct initial teacher training for all Cheshire West Secondary Schools.

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

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

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

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

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

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

Organisational structure
The stated vision of the Governing Body is:

Challenging and Inspiring Governance
"*Driving a culture of excellence and achievement, to deliver outstanding outcomes for the whole school community*"

The Governing Body met four times during the period from 1 September 2015 to 31 August 2016.

It establishes an overall framework for the governance of the school, determining the terms of reference, and members of the committees and other groups. The Governing body receives reports from committees, which it reviews and it also monitors the activities of committees at its meetings.

There are five committees:

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

The following decisions are reserved for Governors:

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

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

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

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

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

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

The Headteacher is the accounting officer.

Risk management

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

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

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

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

The effects of announced reductions to post 16 funding, the changes to the formula for funding schools as the government move towards a national funding formula, the changes to special educational needs funding, and the increases in employment and premises costs due to pay awards, changes to employer's National Insurance contributions, changes to employers superannuation contributions and inflation mean that revenue funding streams will be constrained for the foreseeable future.

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

At 31 August 2016, the Academy had no significant liabilities arising from trade creditors where there would be a significant effect on liquidity.

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

Connected organisations and related party relationships

The Academy was designated as lead school in the Cheshire Vale Teaching School Alliance (Cheshire Vale TSA) from 1 September 2014. Our strategic partners within the alliance are:

Bishop's Blue Coat C of E High School
Bishop Heber High School
Blacon High School
Cheshire West and Chester LA
Chester Catholic High
Christleton High School
Ellesmere Port Catholic High School
Hartford C of E High School
Helsby High School
Neston High School
Queen's Park High School
Sandymoor School
Sir John Deane's Sixth Form College
St. Nicholas Catholic High School
University of Chester
Upton-by-Chester High School
Weaverham High School
Whitby High School

The alliance aims to:

- Develop an effective and sustainable alliance that helps deliver improved outcomes for young people
- Be part of system wide improvement that creates a better future for all
- Provide outstanding opportunities for staff within and beyond the Alliance to develop their leadership skills, experience and confidence including the delivery of licensed programmes from the National College for School Leadership
- Provide and broker outstanding training and development opportunities for staff within and beyond the Alliance that support the achievement and excellence in terms of learner outcomes
- Broker the supply of system leaders such as National Leaders in Education (NLEs), Local Leaders in Education (LLEs) and Specialist Leaders in Education (SLEs)
- Ensure the supply of outstanding new teachers in to the profession through effective Initial Teacher Education (ITE)
- Provide school to school support that gives additional capacity to ensure that all schools can be strong and successful schools, meeting the needs within their own context
- Work together on succession planning to ensure that schools within and beyond the partnership can continue to be effectively led and managed
- Engage in research and development work that contributes to a more evidence based approach to school improvement.

During 2015-16 the teaching school has overseen the merger of five consortia who ran School Direct in the Alliance schools into a single consortium with our HEI being Liverpool John Moores University. The teaching school has recruited 39 Associate Teachers who will begin their training from September 2016.

The alliance uses 2 National Leaders of Education (NLEs), 5 Local Leaders of Education (LLEs), 1 National Leader of Governance (NLG), and 25 Specialist Leaders of Education (SLEs) to support other schools in challenging circumstances. During 2015-16 the alliance was successful in obtaining grant funding to support Queens Park High School. This support will continue during 2016-17 and other support projects are currently in the planning stage.

A key developmental strand of the Teaching School for 2016-17 this year is to develop our CPD offer. Courses are being planned for Teaching Assistants as well as SIMS training and the alliance is in negotiations with a training company to host their courses as well as with MIND to offer courses on supporting students with mental health issues.

The Alliance will be delivering a research conference during the first quarter of the 2016-17 academic year. The Academy has strong collaborative links with its partner primary schools, which have formed the Sandstone Partnership, to further the development of educational and CPD opportunities for all members stakeholder groups.

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

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

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

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

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

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

Objectives and activities

Objects and aims

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

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

The Academy's partnership with parents and carers is very important to Governors, and the organisation works closely with them throughout a student's life to nurture their aspirations, their learning and their achievements.

Objectives, strategies and activities

The Governing Body has agreed the following six areas as strategic priorities for the Academy, for a three year period from 2013-16:

- Raising Achievement for all - All individuals and all groups (including Pupil Premium (Ever 6, CLA, and Service Child), Gifted and Talented, KS2 level 4 students, SEN, Gender) fulfil or exceed their potential

- Re-imagining the Curriculum - A Curriculum where teachers are empowered to use their subject expertise to develop excellent programmes of study so that the needs and aspirations of our students are realised

- Improving Learning - A shared understanding of great learning which provides freedom to innovate and take risks, empowering teachers to lead and shape learning for all. Expectations of effective learning are stretched for all

- Developing Staff - A dynamic and aspirational culture in which staff are empowered to lead and shape the education of young people

- Unlocking Student Potential - All students in school are empowered to take ownership of the development of their skills and their own learning through enhanced opportunities

- Growing the School - To grow our profile and to maximise the resources available to the school so that we provide the best possible learning experiences for our students

These priorities and the plans that accompanied them have been successful in delivering continuous improvement of the period, and were key to the OfSTED outstanding judgement in 2014.

Building on the success of these priorities the Governing Body has reviewed the academy's current position and refocused the strategic priorities for the academy to meet the challenges of the next three years (2016-19). The priorities for the period will be:

- Achievement for All Students:
- Continuous Learning for All Staff
- High Expectations: Positive Environment
- Inspiring Teaching: Great Learning
- The Sixth Form: A Beacon of Excellence
- Facing Outwards: Shaping Our Future

Public benefit

The Governors confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in the exercise of their duties.

The Governing Body met four times during the year, and in addition seventeen meetings of the various committees have taken place. In all their discussions and decision making, the Governors have been conscious of their duty to use public funds to deliver an excellent educational experience to our students. This principle is applied in all expenditure decisions whether it be employing highly qualified and inspiring staff or using the Academy's financial resources to improve the environment on campus for our students. Each committee's Terms of Reference provide a framework for information and challenge.

The Leadership Team uses benchmarking and other data to ensure that the advice provided to Governors in their decision making is as robust as possible. The Governors have created a culture of support and challenge within the Academy which promotes continuous improvement and fosters innovation.

This is embodied in a culture within the Academy of celebration of student achievement.

Achievements and performance
Achievements in the year

The Academy is judged by OfSTED outstanding overall, and outstanding in each of the four key areas:

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

The Academy's Sixth Form is judged to be especially outstanding by OfSTED.

Public examination results are the key performance measure for the Academy. Once again the Academy's students have delivered an excellent set of results for the academic year 2015-16. These results are summarised below:

GCSE

Background: A year group with a slightly higher KS2 profile than 2015 but lower than 2014.

Progress 8

- Progress 8 value of 0.37 based on the 2016 national progress rates
- Indicates on average over a third of a grade above national rates of progress
- 2nd Highest in Cheshire West
- Outstanding contribution from English (0.62)

Threshold Measures

- 76% 5A*- C inc Eng and Maths
- A*-C results in Maths (81%) and English (87%) very positive
- Slightly disappointing on the combined English and Maths measure relative to the individual English and Maths results.

English and Maths Progress

- Expected progress (3 levels of progress) Maths in line with FFT target (80%)
- Record breaking expected progress in English 91%
- 4 levels of progress much improved on the 2015 dip.
- English above expected progress exceptional (70%, 23 percentage points above previous high)
- Maths back to the highs of 2013/14

Grades and Point

- Increase in A* and A grades after 2014 dip
- Increase in points measures compared to 2014
- Much closer to FFT (D) targets in comparison to 2015

Special Educational Needs Cohort

- Very pleasing individual results
- Progress 8 measure shows progress is above the cohort as a whole

Pupil Premium - Closing the Gap

- Gap has closed
- Progress 8 above the non-disadvantaged cohort
- 5 A*-C above the school average (78%)

Overall

- Good results against the new performance framework (Progress 8, Attainment 8)
- Very good 6th Form retention
- Improvements made in the targeted area of A*/A grades
- The contribution of English Language and Literature results to Progress 8 were significant
- Excellent SEND and Disadvantaged results
- There was an improvement in the rate of progress of boys, especially more able boys.
- Gender gaps are still a focus and prominent in the School Development Plan

A Level

Context- small cohort, some concerns from AS, especially with students with C grade targets. Intensive intervention programme throughout Y13.

- Highest Points Score in CWAC
- A*-A target beaten, 2nd highest % in CWAC
- A*-B target beaten, 2nd highest % in CWAC
- A*-C below target after gap significantly narrowed in 2015
- 75% of students into first choice universities, all students offered places

Overall

- A good set of results
- Scope to improve on the students predicted a C grade who do not achieve it
- 6th Form is a key focus of the School Development Plan

These results are a testament to the effectiveness of the strategies that the Academy has put in place to support students' development as effective learners, combined of course with the students' hard work. Furthermore they are an endorsement of the Governors six strategic priorities for development; Raising Achievement for all; Re-imagining the Curriculum; Improving Learning; Developing Staff; Unlocking Student Potential; and Growing the School. Each of these priorities is intended to create an environment which allows students to develop to their full potential and achieve the best outcomes that they are able to.

The roll of the Academy has increased during the 2015-16 academic year and is forecast to continue to grow during 2016-17. During 2014-15 four modern mobile classrooms were procured to ease the pressure on existing accommodation, a further four mobile classrooms were added to this number during 2015-16. In addition the Academy has been successful in a Condition Improvement Fund bid to EFA which has seen a £2.5 million investment into the capital infrastructure of the campus.

Cheshire Vale Teaching School Alliance is based on the Tarporley High School Campus. As lead school the Academy has developed a training suite to facilitate CPD events across the cluster. This was made possible by creative use of redundant ancillary accommodation. During 2015-16 a wide selection of CPD events have been run from the facility and from 1 September 2016 School Direct Initial Teacher (secondary) Training for Cheshire West and Chester will be run from the facility.

Key performance indicators

It is the Academy's management policy that in general terms the income received in any one year is spent for the benefit of those children in school that year, with provision also made for a contingency for "unforeseen" events.

During the financial year 2015-16, monthly management monitoring of budgets has been within projected spending levels, and a positive cashflow has been maintained throughout the period.

The formula for funding academies is primarily based upon student numbers and this is also a key performance indicator. The budget for 2015-16 was based upon a roll of 1,110 including Sixth Form students in October 2014. This comprised 912 students in Year's 7 to 11, and increase over previous years. Sixth Form numbers are more susceptible to variation, due to the choice element and these numbers are kept under regular review, the number of funded Sixth Form Places for 2015-16 was 198.

Going concern

After making appropriate enquiries, the board of Governors has a reasonable expectation that the Academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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 largest proportion of the Academy's income is obtained from the DfE, via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted for defined purposes. The grants received from the DfE during the period 1 September 2015 to 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities

For the financial period which ended 31 August 2016, the total expenditure of the Academy did not exceed the recurrent grant funding from the DfE, together with incoming resources.

The net book value of fixed assets and movements in tangible fixed assets are shown in the notes to the financial statements for the financial period to 31 August 2016. These assets were used exclusively for providing education and the associated support services.

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

The balance of the predecessor school's budget share was transferred to the Academy three months after conversion and is shown as unrestricted funds.

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

The Academy's Handbook of Internal Procedures sets out the framework for financial management, including the financial responsibilities of the Governors, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. This handbook is kept under review to ensure fitness of purpose.

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

Visit 1 – Spring Term 2016

- Purchasing
- Bank & Cash
- Income
- Segregation of duties

Visit 2 – Spring term 2016

- The School Fund
- VAT
- Credit card
- Tendering
- Stock

Visit 3 – Summer term 2016

- Personnel
- Insurance cover
- Computer security
- Asset register

In addition a stock check was undertaken at 31 August 2016.

Any matters arising from the internal checks undertaken by Hall Livesey Brown were reported to the Academy's audit committee and appropriate remedial action has been taken.

<u>Principal risks and uncertainties</u>

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

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

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

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

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

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

Litigation: - Many of the potential risks detailed above could result in litigation. Even if the Academy was successful in any such action, it would present a financial and reputational risk. As outlined Governors have put in place robust systems and procedures, together with adequate insurance cover, to mitigate this risk.

Financial and risk management objectives and policies

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

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

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

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

As the Academy largely deals with bank balances, trade creditors, limited trade and other debtors and not financial instruments its financial risk is considered to be minimal.

However the Academy does have to carry the deficit on the local government defined pension scheme on its balance sheet which at 31 August 2016 stood at £1,827,000. The deficit is being addressed by the Pension Fund Administrators and is likely to result in increased costs to the Academy over time by way of increased employer contributions. Further information on this is set out in note 17.

Reserves policy

The Academy currently holds £766,913 of unrestricted reserves. The Governors have decided that elements of the unrestricted reserves will be utilised to support over the coming period:

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

The Governors have endeavoured to establish that an appropriate level of reserves is in place to support future capital investment in the academy's estates and to meet any uncertainties with regard to the funding environment.

Investment policy and powers
The Academy's investment policy is consistent with its charitable status. Investments must always be made in accordance with written procedures adopted by the governing body and must always ensure the maximum integrity of such investments.

It is the policy of the Academy to have cash invested in liquid investments that bear minimal risk. The Academy is aware that it is not covered by the Financial Services Compensation Scheme as it does not meet any of the threshold measures for inclusion of a company in the protection arrangement.

Plans for the future
The Governors have agreed a vision statement for the Academy - ASPIRE . LEARN . ACHIEVE:

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

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

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

This vision drives developments and innovation within the Academy, and is translated into the Academy's three year School Development Plan, with its six priorities which are detailed in the Objectives, Strategies and Achievements section of the report.

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

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

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

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

The Governors' report, incorporating a strategic report, was approved by order of the board of Governors, as the company directors, on 20 December 2016 and signed on its behalf by:

J Wadd
....
John Waddington
Chair of Governors

TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility
As Governors we acknowledge we have overall responsibility for ensuring that Tarporley High School And Sixth Form College has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Governors has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Tarporley High School And Sixth Form College and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

Governance
The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of Governors has formally met 4 times during the year. Attendance during the year at meetings of the board of Governors was as follows:

Governors	Meetings attended	Out of possible
Julie Adkins	4	4
Clare Blackhurst	2	2
Trudy Boyle	3	4
Thomas Crotty	0	1
Avis France	4	4
Dawn Joyce	3	4
Sarah Lee	3	4
Michael Lomas	4	4
Caryle Sinnott	1	1
Sally Sissons	1	1
Jane Stephens	3	4
Nigel Taylor	3	4
John Waddington	4	4
Stephen Williams	2	4
Harry Ziman	3	4
Richard Gillard	0	1
Andrew Davies	2	4
James Bowland	3	3
Alison Senior	3	3
Rachel Simms	3	3
Sharon Varey	2	2
Roger Craig	3	3
Jane Hough	3	3

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

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

Governors	Meetings attended	Out of possible
Thomas Crotty	0	1
Sarah Lee	2	4
Michael Lomas	4	4
Caryle Sinnott	1	1
Jane Stephens	4	4
Nigel Taylor	4	4
Alison Senior	3	3
Jane Hough	2	2

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

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

Governors	Meetings attended	Out of possible
Dawn Joyce	1	2
Sarah Lee	3	3
Sally Sissons	1	1
Nigel Taylor	3	3
John Waddington	3	3
Harry Ziman	2	3

Review of value for money

As accounting officer the Headteacher has responsibility for ensuring that the Academy 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 Governors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy trust has delivered improved value for money during the year by applying the four principles of best value as the main drivers of all the Academy's operations and Governors:

- **Challenge** - Is the Academy's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- **Compare** - How does the Academy's student performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare other Academy schools?
- **Consult** - How does the Academy seek the views of stakeholders about the services the Academy provides?
- **Compete** - How does the Academy secure efficient and effective services? Are services of an appropriate quality or economic benefit?

when making decisions about:

- the allocation of resources to best promote the aims and values of the Academy
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all students

This approach has underpinned the Academy's drive to improve educational outcomes for all its students and enabled it to be judged by OfSTED outstanding overall and in each of the four key areas:

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

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

Public examination results by our students were once again excellent in 2015-16.

Ensuring that the Academy gains good value for money, and effective and efficient use of resources

The Academy takes a prudent approach to expenditure. As the largest single expenditure item within the Academy's budget is staffing, the staffing structure is reviewed annually to ensure that it is fit for purpose and can adapt and respond to support the successful attainment of the six strategic priorities as detailed in the Objectives, Strategies and Activities section of the Trustees Report.

Creative use of human resources demonstrates a commitment to using staff skills effectively, and staff are encouraged to use their particular areas of expertise to enhance pupil outcomes.

Purchasing follows best value principles. A scheme of delegation is in place. Governors and Senior Leadership Team recognise that the pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

The following thresholds and measures are applied to procurement decisions taken by the Academy:

- competitive tendering procedures (e.g. for goods and services above £50,000)
- minimum of 3 quotes for purchases greater than £5,000 but less than £50,000
- procedures which minimise office time by the purchase of goods or services under £5,000 direct from known, reliable suppliers (e.g. stationery, small equipment)

EU procurement regulations are complied with. Governors and staff accept that best value quotes may not be the cheapest as other factors, including workmanship, reliability and quality of services, need to be considered.

The Academy's Finance, ICT and Estates Teams takes an active approach in reducing costs, whilst maintaining the Academy's infrastructure is fit for purpose.

The Finance Team take a proactive approach to sourcing high quality supplies and services at the most competitive price.

The skills of the ICT Team are utilized to minimise the need for external consultants. For example the Academy's ICT infrastructure is based upon a virtual server environment which was developed, implemented and is maintained by the Academy's Strategic ICT manager. The Academy has moved to Voice Over Internet Protocols (VOIP) telecommunications system to reduce maintenance costs, and increase business resilience.

The Academy buildings require continual maintenance as a result of their age and condition. The Estate Manager assesses major maintenance works and where possible the Academy's skilled staff undertake repairs, maintenance and decoration to reduce the use of external contractors. Where external contractors are required the Estate Manager and Director of Finance and Operations will seek Governor approval prior to work being put out to tender.

Recent initiatives to reduce costs made by these teams are:

- Move of the Academy's energy procurement to Crown Commercial Services. This initiative has already seen a reduction in energy charges for the Academy's gas and from April 2017 will also make provision for the supply of electricity as existing contracts expire.
- The successful 2015-16 Condition Improvement Fund bid will deliver energy efficiencies by improving the thermal efficiency of the school's SCOLA block (75% of teaching accommodation), improving ventilation in the block and the replacement of obsolete and expensive to run florescent tube lighting with LED technology.
- Scrutiny of service contracts to ensure providers are held to account for the quality and effectiveness of their service

Maximising income generation

The Academy has a Lettings policy in place and explores opportunities to generate income through the hire of the site. A proactive approach is taken towards preparing funding bids and generating revenue streams in order to maximise income generation. In order to enhance its chances of success of obtaining funding for refurbishment and / or replacement of buildings, the Academy is working closely with a range of suitably qualified and experienced consultants to prepare Condition Improvement Fund bids to the Education Funding Agency. In 2015-16 the Academy was successful with a bid to this fund for £2.5 million pounds to address serious building condition issues on the campus.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Tarporley High School And Sixth Form College for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of Governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

The risk and control framework

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

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

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

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

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

Review of effectiveness

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

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

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

Lessons Learned

In its fourth year as an Academy, the Governors and Senior Leadership Team have continued to review and develop the academy's systems for the delivery and procurement of services to ensure that service levels are maintained and enhanced, by building on the work undertaken since conversion in 2012. The Academy has faced financial challenges relating to ongoing budget reductions, and the challenge of funding the curriculum for a growing school. It continues to do this by being proactive and putting in place plans to maintain the budget in balance for the period.

The landscape of service provision to schools continues to be fluid as traditional sources of services, such as the Local Authority, have continued to reduce their capacity to deliver support services to academies. This affects a number of services traditionally provided by the Local Authority, but has particularly been felt in areas such as catering services and cleaning. It will be necessary to think flexibly about the profile of the services which the school needs to procure. This will inevitably involve an increased emphasis on effective tendering processes in order to source appropriate and effective service providers.

The national financial climate remains uncertain, particularly following the result of the referendum to take the United Kingdom out of the European Union. It is anticipated that this will translate into a continuance of stringent public sector financial settlements. Inevitably this will require the academy to identify further financial efficiencies, to address inflationary pressures relating to employer related employee costs and supplies and services which it will face. The Academy will endeavour to make savings through, proactively managing its human resources, effective purchasing, increased use of Crown Commercial Services for procurement where applicable, in addition working with purchasing consortia (such as the Crescent Purchasing Consortia) and other academies to gain economies of scale and take every opportunity to obtain value for money in order to improve outcomes for pupils.

Approved by order of the board of Governors on 20 December 2016 and signed on its behalf by:

Sarah Lee
Head Teacher

John Waddington
Chair of Governors

TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Tarporley High School and Sixth Form College I have considered my responsibility to notify the Academy Trust board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust's board of Governors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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

Sarah Lee
Accounting Officer

20 December 2016

TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The trustees (who act as governors for Tarporley High School and Sixth Form College and are also the directors of Tarporley High School and Sixth Form College for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of Governors on 20 December 2016 and signed on its behalf by:

John Waddington
Chair of Governors

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

We have audited the accounts of Tarporley High School and Sixth Form College for the year ended 31 August 2016 set out on pages 29 to 49. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education 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.

Respective responsibilities of Governors and auditors
As explained more fully in the Governors' Responsibilities Statement set out on page 24, the Governors, who are also the directors of Tarporley High School and Sixth Form College for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Opinion on accounts
In our opinion the accounts:
- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE (CONTINUED)

Matters on which we are required to report by exception

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

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

R Evans

Robert Evans BSc FCA (Senior Statutory Auditor)
for and on behalf of Hall Livesey Brown

Chartered Accountants
Statutory Auditor
HLB House
68 High Street
Tarporley
Cheshire
CW6 0AT

Dated: 20 December 2016

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

In accordance with the terms of our engagement letter dated 05 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tarporley High School and Sixth Form College during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Tarporley High School and Sixth Form College's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 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 the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

The work undertaken to draw to our conclusion includes:

- A review of the internal control handbook ensuring that the necessary controls are implemented and are working as stated.
- Confirming that guidance set by the EFA, within the Accounts Direction 2015 to 2016 and the Academies Financial Handbook 2015, has been adhered to.
- Ensuring expenditure does not contravene the funding agreement.
- Ensuring public funds have not been used for public benefit.
- Ensuring any connected party transactions are highlighted and the not for profit principles have been adhered to.
- Reviewing relevant Governing Body and committee meeting minutes.
- Reviewing the financial transactions for any unusual transactions which may be improper.
- Ensuring key staff and governors have declared their interests in related parties.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

R Evans

Robert Evans BSc FCA
Reporting Accountant
Hall Livesey Brown

Dated: 20 December 2016

TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	**2**	16,043	70,423	1,540,620	1,627,086	212,096
Charitable activities:						
- Funding for educational operations	**3**	-	5,077,990	-	5,077,990	4,726,378
Other trading activities	**4**	158,632	58,678	-	217,310	121,309
Investments	**5**	1,153	-	-	1,153	1,067
Total income and endowments		175,828	5,207,091	1,540,620	6,923,539	5,060,850
Expenditure on:						
Raising funds	**6**	-	860	-	860	-
Charitable activities:						
- Educational operations	**7**	-	5,376,146	241,709	5,617,855	5,270,691
Total expenditure	**6**	-	5,377,006	241,709	5,618,715	5,270,691
Net income/(expenditure)		175,828	(169,915)	1,298,911	1,304,824	(209,841)
Transfers between funds		(110,256)	356,000	(245,744)	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	**17**	-	(910,000)	-	(910,000)	71,000
Net movement in funds		65,572	(723,915)	1,053,167	394,824	(138,841)
Reconciliation of funds						
Total funds brought forward		701,341	(934,108)	8,465,560	8,232,793	8,371,640
Total funds carried forward		766,913	(1,658,023)	9,518,727	8,627,617	8,232,799

TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted Funds £	Restricted funds: General £	 Fixed asset £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	20,136	191,960	-	212,096
Charitable activities:					
- Funding for educational operations	3	-	4,726,378	-	4,726,378
Other trading activities	4	78,923	42,386	-	121,309
Investments	5	1,067	-	-	1,067
Total income and endowments		100,126	4,960,724	-	5,060,850
Expenditure on:					
Charitable activities:					
- Educational operations	7	-	5,032,973	237,718	5,270,691
Total expenditure	6	-	5,032,973	237,718	5,270,691
Net income/(expenditure)		100,126	(72,249)	(237,718)	(209,841)
Transfers between funds		(230,577)	(17,143)	247,720	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	71,000	-	71,000
Net movement in funds		(130,451)	(18,392)	10,002	(138,841)
Reconciliation of funds					
Total funds brought forward		831,798	(915,716)	8,455,558	8,371,640
Total funds carried forward		701,347	(934,108)	8,465,560	8,232,799

TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	11		8,565,865		8,465,560
Current assets					
Stocks	12	15,859		15,664	
Debtors	13	267,852		179,647	
Cash at bank and in hand		1,990,483		1,054,527	
		2,274,194		1,249,838	
Current liabilities					
Creditors: amounts falling due within one year	14	(385,442)		(427,599)	
Net current assets			1,888,752		822,239
Net assets excluding pension liability			10,454,617		9,287,799
Defined benefit pension liability	17		(1,827,000)		(1,055,000)
Net assets			8,627,617		8,232,799
Funds of the Academy Trust:					
Restricted funds	16				
- Fixed asset funds			9,518,727		8,465,560
- Restricted income funds			168,977		120,892
- Pension reserve			(1,827,000)		(1,055,000)
Total restricted funds			7,860,704		7,531,452
Unrestricted income funds	16		766,913		701,347
Total funds			8,627,617		8,232,799

The accounts set out on pages 29 to 49 were approved by the board of Governors and authorised for issue on 20 December 2016 and are signed on its behalf by:

John Waddington
Chair of Governors

Company Number 08100344

TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities					
Net cash provided by (used in) operating activities	19		(263,990)		159,223
Cash flows from investing activities					
Dividends, interest and rents from investments		1,153		1,067	
Capital grants from DfE and EFA		1,540,620		-	
Payments to acquire tangible fixed assets		(343,077)		(252,817)	
Proceeds from sales of tangible fixed assets		1,250		-	
			1,199,946		(251,750)
Change in cash and cash equivalents in the reporting period			935,956		(92,527)
Cash and cash equivalents at 1 September 2015			1,054,527		1,147,054
Cash and cash equivalents at 31 August 2016			1,990,483		1,054,527

1 Accounting policies

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

1.1 Basis of preparation

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

These accounts for the year ended 31 August 2016 are the first accounts of Tarporley High School and Sixth Form College prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

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

The Governors have reviewed and approved budgets and cash flow forecasts for 2015/16 and future years which are regularly updated to reflect the latest information and assumptions, and consider in light of this review that it is appropriate to prepare the financial statements on a going concern basis.

1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period 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.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

1 Accounting policies **(Continued)**

Donations
Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds
This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities
These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

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

1 Accounting policies **(Continued)**

1.5 Tangible fixed assets and depreciation

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Land and buildings	2% Straight line
Assets in the course of construction	Not to be depreciated until the work is completed
Computer equipment	25% Straight line
Fixtures, fittings & equipment	15-20% Straight line
Motor vehicles	25% 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.

1.6 Liabilities

Liabilities 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 Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

1.7 Leasing and hire purchase commitments

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

1.8 Stock

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

1.9 Taxation

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

1 Accounting policies **(Continued)**

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, 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 are 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 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.

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

1.12 Critical accounting estimates and areas of judgement

Accounting estimates and judgements 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.

<u>Critical accounting estimates and assumptions</u>

The Academy 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.

1 Accounting policies **(Continued)**

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Critical areas of judgement

The most significant judgement which the Governors have established as critical in the preparation of the academy trust's financial statements is the assessment of the Local Government Pension Scheme (LGPS) deficit. This assessment is undertaken on behalf of the academy by Hymans Robertson, the pension fund's actuary, and makes assumptions about future fund performance, membership and members' life expectancy. This report is prepared in line with FRS 102.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Private sponsorship	-	41,966	41,966	40,176
Capital grants	-	1,540,620	1,540,620	-
Other donations	16,043	28,457	44,500	171,920
	16,043	1,611,043	1,627,086	212,096

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	4,791,844	4,791,844	4,459,392
Other DfE / EFA grants	-	177,241	177,241	166,595
	-	4,969,085	4,969,085	4,625,987
Other government grants				
Local authority grants	-	108,905	108,905	100,391
Total funding	-	5,077,990	5,077,990	4,726,378

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	9,308	-	9,308	6,240
Catering income	15,012	-	15,012	17,819
School fundraising events	2,153	-	2,153	3,021
Transport contributions	-	58,678	58,678	42,386
Other income	132,159	-	132,159	51,843
	158,632	58,678	217,310	121,309

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	1,153	-	1,153	1,067

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	3,509,210	-	265,408	3,774,618	3,521,654
- Allocated support costs	699,942	614,771	528,524	1,843,237	1,749,037
	4,209,152	614,771	793,932	5,617,855	5,270,691
Other expenditure					
Raising funds	-	-	860	860	-
Total expenditure	4,209,152	614,771	794,792	5,618,715	5,270,691

Net income/(expenditure) for the year includes:	2016 £	2015 £
Fees payable to auditor for:		
- Audit	13,000	12,000
- Other services	2,326	1,975
Operating lease rentals	77,728	34,770
Depreciation of tangible fixed assets	241,709	237,718

7 Charitable activities

	2016	2015
	£	£
All from restricted funds:		
Direct costs - educational operations	3,774,618	3,521,654
Support costs - educational operations	1,843,237	1,749,037
	5,617,855	5,270,691

	2016	2015
	£	£
Analysis of support costs		
Support staff costs	699,942	667,999
Depreciation and amortisation	241,709	237,718
Technology costs	6,758	12,161
Premises costs	583,521	482,858
Other support costs	97,328	279,245
Governance costs	213,979	69,056
	1,843,237	1,749,037

8 Staff costs

	2016	2015
	£	£
Wages and salaries	3,210,934	3,121,031
Social security costs	254,044	223,025
Operating costs of defined benefit pension schemes	548,807	476,994
Staff costs	4,013,785	3,821,050
Supply staff costs	141,516	80,874
Staff development and other staff costs	53,851	40,136
Total staff expenditure	4,209,152	3,942,060

Staff numbers

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

	2016	2015
	Number	Number
Teachers	70	74
Administration and support	18	17
	88	91

8 Staff costs **(Continued)**

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
£100,001 - £110,000	1	1

Key management personnel

The key management personnel of the Academy Trust comprise the Governors 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 £593,822 (2015 £505,500).

9 Governors' remuneration and expenses

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

Sarah Lee (Headteacher and Governor)
Remuneration £105,000 - £110,000 (2015 - £100.000 - 105,000)
Employer's pension contributions £15,000 - £20,000 (2015 - £10,000 - £15,000)

Clare Blackhurst (Staff Governor - resigned 7 November 2015)
Remuneration £5,000 - £10,000 (2015 £40,000 - £45,000)
Employer's pension contributions £1,000 - £5,000 (2015 - £5,000 - £10,000)

Caryle Sinnott (Staff Governor - resigned 5 January 2016)
Remuneration £5,000 - £10,000 (2015 - £20,000 - £25,000)
Employer's pension contributions £1 - £5,000 (2015 - £1 - £5,000)

Richard Gillard (Staff Governor - resigned 1 December 2015)
Remuneration £10,000 - £15,000 (2015 - £45,000 - £50,000)
Employer's pension contributions £1,000 - £5,000 (2015 - £5,000 - £10,000)

Alison Senior (Staff Governor - appointed 10 December 2015)
Remuneration £5,000 - £10,000
Employer's pension contributions £1,000 - £5,000

James Bowland (Staff Governor - appointed 10 December 2015)
Remuneration £5,000 - £10,000
Employers pension contributions £1,000 - £5,000

Jane Hough (Staff Governor - appointed 5 January 2016)
Remuneration £1,000 - £5,000
Employers pension contributions £0 - £5,000

During the period ended 31 August 2016, travel and subsistence expenses were also paid to the staff governors which has been included in the remuneration figures reported above.

Other related party transactions are set out in note 23.

10 Governors and officers insurance

In accordance with normal commercial practice, the Academy Trust purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. In August 2015 the school joined the UK Government's Risk Protection Arrangement (RPA). This insurance provides unlimited cover for claims against Members, Governors and Officers, the cost of which is included within the total insurance cost.

11 Tangible fixed assets

	Land and buildings	Assets in the course of construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2015	8,772,382	-	162,602	151,059	58,480	9,144,523
Additions	74,108	218,128	4,028	29,812	17,000	343,076
Disposals	-	-	(3,610)	-	(4,500)	(8,110)
At 31 August 2016	8,846,490	218,128	163,020	180,871	70,980	9,479,489
Depreciation						
At 1 September 2015	468,903	-	118,707	59,606	31,747	678,963
On disposals	-	-	(3,234)	-	(3,812)	(7,046)
Charge for the year	160,021	-	40,555	25,661	15,472	241,709
At 31 August 2016	628,924	-	156,028	85,267	43,407	913,626
Net book value						
At 31 August 2016	8,217,566	218,128	6,992	95,604	27,573	8,565,863
At 31 August 2015	8,303,479	-	43,895	91,453	26,733	8,465,560

The land and buildings transferred on conversion were independently professionally valued by Mason Owen, Chartered Surveyors and were included in the financial statements at their depreciated replacement valuation as at 1 August 2012. The Governors are of the opinion that the value of the land and buildings has not changed materially since this date and no further revaluations are considered necessary in the financial statements for the year ended 31 August 2016 as a result.

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

12 Stocks

	2016	2015
	£	£
School uniform	15,859	15,664

13 Debtors

	2016	2015
	£	£
Trade debtors	51,389	34,586
VAT recoverable	160,927	94,862
Prepayments and accrued income	55,536	50,199
	267,852	179,647

14 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	250	56,202
Other taxation and social security	90,997	78,038
Other creditors	52,253	50,551
Accruals and deferred income	241,942	242,808
	385,442	427,599

15 Deferred income

	2016	2015
	£	£
Deferred income is included within:		
Creditors due within one year	75,884	78,673
Deferred income at 1 September 2015	78,673	36,947
Released from previous years	(78,673)	(36,947)
Amounts deferred in the year	75,884	78,673
Deferred income at 31 August 2016	75,884	78,673

16 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£	£	£	£	£
Restricted general funds					
General Annual Grant	(46,586)	4,791,844	(5,101,258)	356,000	-
Other DfE / EFA grants	9,628	177,241	(174,204)	-	12,665
Other government grants	-	108,905	(108,905)	-	-
Other restricted funds	157,850	129,101	(130,639)	-	156,312
Funds excluding pensions	120,892	5,207,091	(5,515,006)	356,000	168,977
Pension reserve	(1,055,000)	-	138,000	(910,000)	(1,827,000)
	(934,108)	5,207,091	(5,377,006)	(554,000)	(1,658,023)
Restricted fixed asset funds					
DfE / EFA capital grants	-	1,540,620	-	(369,629)	1,170,991
Inherited funds	8,465,560	-	(241,709)	-	8,223,851
Capital expenditure from GAG	-	-	-	123,885	123,885
	8,465,560	1,540,620	(241,709)	(245,744)	9,518,727
Total restricted funds	7,531,452	6,747,711	(5,618,715)	(799,744)	7,860,704
Unrestricted funds					
General funds	701,341	175,828	-	(110,256)	766,913
Total funds	8,232,793	6,923,539	(5,618,715)	(910,000)	8,627,617

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS, 31 March 2013.

Contributions amounting to £65,469 (2015 : £58,772) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

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

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));

- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and

- an employer cost cal of 10.9% of pensionable pay will be applied to future valuations.

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be 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 the TPS in the period amounted to £633,698 (2015: £572,389).

17 Pensions and similar obligations **(Continued)**

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.6% for employers and between 5.5% and 12.5% for employees dependent on earnings. The estimated value of employer contributions for the forthcoming year is £129,000.

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.

Total contributions made	**2016**	**2015**
	£	**£**
Employer's contributions	128,000	119,000
Employees' contributions	36,000	34,000
Total contributions	164,000	153,000

Principal actuarial assumptions	**2016**	**2015**
	%	**%**
Rate of increases in salaries	3.1%	3.6%
Rate of increase for pensions in payment	2.1%	2.7%
Discount rate	2.1%	3.8%

17 Pensions and similar obligations (Continued)

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

	2016 Years	2015 Years
Retiring today		
- Males	22.3	22.3
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.1	24.1
- Females	26.7	26.7

The Academy Trust's share of the assets in the scheme	2016 Fair value £	2015 Fair value £
Equities	861,000	581,000
Bonds	633,000	494,000
Property	114,000	111,000
Other assets	16,000	49,000
Total market value of assets	1,624,000	1,235,000
Actual return on scheme assets - gain/(loss)	250,000	(92,000)

Amounts recognised in the statement of financial activities	2016 £	2015 £
Current service cost (net of employee contributions)	150,000	152,000
Net interest cost	(160,000)	25,000

Changes in the present value of defined benefit obligations	2016 £
Obligations at 1 September 2015	2,290,000
Current service cost	150,000
Interest cost	90,000
Employee contributions	36,000
Actuarial loss	910,000
Benefits paid	(25,000)
At 31 August 2016	3,451,000

The loss of £910,000 is due to the changes in financial assumptions this year.

17 Pensions and similar obligations **(Continued)**

Changes in the fair value of the Academy Trust's share of scheme assets	**2016**
	£
Assets at 1 September 2015	1,235,000
Interest income	250,000
Employer contributions	128,000
Employee contributions	36,000
Benefits paid	(25,000)
At 31 August 2016	1,624,000

18 Analysis of net assets between funds

	Unrestricted Funds	**Restricted funds: General**	**Fixed asset**	**Total 2016**
	£	**£**	**£**	**£**
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	8,565,865	8,565,865
Current assets	1,152,355	168,977	952,862	2,274,194
Creditors falling due within one year	(385,442)	-	-	(385,442)
Defined benefit pension liability	-	(1,827,000)	-	(1,827,000)
	766,913	(1,658,023)	9,518,727	8,627,617

19 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2016	**2015**
	£	**£**
Net income/(expenditure) for the reporting period	1,304,817	(209,841)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(1,540,620)	-
Investment income	(1,153)	(1,067)
Defined benefit pension costs less contributions payable	22,000	33,000
Defined benefit pension net finance cost/(income)	(160,000)	25,000
Depreciation of tangible fixed assets	241,710	237,718
Losses/(profits) on disposals of fixed assets	(186)	5,097
(Increase)/decrease in stocks	(195)	(6,310)
(Increase)/decrease in debtors	(88,206)	(3,162)
Increase/(decrease) in creditors	(42,157)	78,788
Net cash used in operating activities	(263,990)	159,223

20 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	82,642	55,069
Amounts due in two and five years	879	36,156
	83,521	91,225

21 Related party transactions

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

PHS Consulting Limited - a company in which Mr H Ziman (a trustee of the trust) has a majority interest. During the period under review PHS Consulting Limited undertook an appraisal of governance on behalf of the Cheshire Vale Teaching School Alliance as part of the focussed review that the Teaching School carried out. The cost of the work was £250.

22 Members' liability

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