

**Tiffin School**

**A Company Limited by Guarantee and an Exempt Charity**

**Annual Report and Financial Statements**

**For the period 1 March 2011 to 31 August 2012**

**Company Registration Number 07547311 (England and Wales)**

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## **Jiffin School**

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## **Tiffin School**

### **Reference and Administrative Details**

#### **Governors, Directors and Trustees**

P Phillips \* (Chairman)  
J Lulham (Vice Chairman)  
R Bruce \*  
K Davis \*  
J Ellis + (Appointed March 20, 2012)  
V Evans +  
M Garner + (Appointed October 17, 2011)  
J Hasler-Winter \*  
J Heath \* (Chair of Finance Committee)  
C O'Connell (Staff Governor)  
G Pavey (resigned February 7, 2012)  
P Rennie (Staff Governor)  
I Sedgley \* (Staff Governor)  
S Thomas  
E Trump  
J Turner  
J Venables  
P Wardley

H Clarke (Headteacher)

\*members of the Finance Committee  
+ Parent Governor

#### **Company Secretary**

J Farnham

#### **Clerk to the Governors**

J Pierce

#### **Officers**

H Clarke (Accounting Officer)  
J Lulham (Responsible Officer)  
J Farnham (Principal Finance Officer)

#### **Senior Management Team**

Deputy Headteacher  
Deputy Headteacher  
Assistant Headteacher  
Assistant Headteacher  
Assistant Headteacher  
Finance Manager

E Barrett  
M Gascoigne  
S Cathcart  
H O'Sullivan  
S Toyne  
J Farnham

**Tiffin School**

**Reference and Administrative Details (continued)**

Registered Office:	Queen Elizabeth Road Kingston upon Thames Surrey KT2 6RL
Company Registration Number	07547311 (England and Wales)
Independent Auditor	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
Bankers	Barclays Bank PLC South West London Team Onslow Hall Little Green Richmond Surrey TW9 1QS  CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET
Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

## **Tiffin School**

### **Governors' Report**

The Governors of Tiffin School (referred to herein as the "Company" or the "School") present their report together with the financial statements and auditors' report for its first accounting period from 1 March 2011 to 31 August 2012

### **History of Tiffin School**

The School can date its beginnings to the will of Thomas Tiffin, dated 15 May, 1638, who left £50 in trust to the Bailiffs and Freemen of Kingston to purchase land and/or buildings, the income from which would be used to teach 'some honest poor man's son'. John Tiffin facilitated his brother's wishes by leaving £100 to the same ends on his death just over a year later. The School colours also date from that time and the three salmon in the School's crest are a reminder of the long association with Kingston.

Thomas Tiffin and his brother John were two wealthy Kingston merchants, born at Yalding in Kent. Thomas Tiffin was the holder of the office of High Bailiff (equivalent to Mayor today) in the Kingston Corporation in the 1630s.

From 1641 income from land purchased in the area of the present day High Street in Kingston provided money for education and clothing for a number of pupils each year. The Tiffin charity also provided £5 for apprenticeships for each pupil after their education. By the mid 19th Century, between thirty and fifty pupils per year were being supported by the charity.

The Endowed Schools Act of 1869 allowed the various local Kingston educational charities to be combined, and permitted the building of the first Tiffin School on the Fairfield. (The building still exists as St Joseph's RC Primary School and parts of the Fairfield are still part of endowed land of the Tiffin School Foundation). The school opened on 20 January 1880 under the Headmaster C J Grist, whose name is commemorated in the School's playing fields at Hampton Court.

Following the First World War the Elmfield site in the London Road in central Kingston, was identified as providing sufficient space for expansion of numbers and a new classroom block was constructed. In 1920 a conveyance of approximately 6.06 acres of land in central Kingston having a frontage to the south to the London Road was made from one James Sidney Mason to the Royal Borough of Kingston for the purposes of new Tiffin school buildings. The school moved to its present site in 1929. In 1944 the school became a Grammar School.

On 14 September 1978, the Charity Commissioners for England and Wales approved a scheme under which a division of the property of the Kingston-upon-Thames Endowed Schools charity was made between two new charities, the Tiffin School Foundation (the "Foundation") and the Kingston Grammar School Foundation. The lands, property and endowment related to Tiffin were thereby transferred to the Foundation, the main object of which was the provision and conduct of a day school for boys.

In 1993 the school changed from "Voluntary Controlled" to "Grant Maintained" status and then again in 1998 to "Voluntary Aided" status under the maintenance of the local authority of the Royal Borough of Kingston. Tiffin School converted to academy status on 1 July 2011 and thereby ceased to be a maintained school.

## **Tiffin School**

### **Governors' Report (continued)**

#### **Structure, Governance and Management**

##### **Constitution and Regulation**

The Company is a company limited by guarantee and an exempt charity. The Company was established on March 1, 2011 to act as the academy trust for the proposed conversion of the maintained school known as "Tiffin School" to an academy. The Company's members are all former governors of the maintained school and as of the date of this report, governors of the School.

As an exempt charity, the Company does not have to register with the Charities Commission and is instead regulated by a principal regulator. As an academy school, established under the Academies Act 2010, the Company's principal regulator is the Education Funding Agency ("EFA").

The Company's Memorandum of Association and its Articles of Association (as amended by special resolution on 6 June 2011) are its primary constitutional documents and are available on the School's website.

The Company entered into a funding agreement ("Academy Funding Agreement") dated 30 June 2011 with the Secretary of State for Education ("Secretary of State") that regulates the financial affairs of the Company. The Company is required to observe any requirements imposed on academy schools under the Academies Financial Handbook September 2012 issued by the EFA.

##### **Governance and Management**

The governors of the School ("Governors" and collectively "Governing Body") act as Directors of the Company for company law purposes and as trustees for its charitable activities.

Details of the Governors who served during all or part of the accounting period are included in the Reference and Administrative Details at the beginning of this report. In addition to serving on the Governing Body, Governors also serve on one or more committees covering Finance, Curriculum & Student, Personnel, Sites & Premises, and Admissions, each with its own terms of reference and delegated areas of responsibility approved by the Governing Body. Overall responsibility for the conduct and financial affairs of the School rests with the Governing Body, in particular the approval of its annual budget.

The Tiffin School Foundation (see below) has the right to appoint a majority of Governors to the Governing Body. The Headteacher is an ex-officio governor with full voting rights. The composition of the Governing Body is described in more detail below under Method of Recruitment and Appointment or Election of Governors.

The day to day management of the School is delegated by the Governing Body to the Headteacher as chief executive. The Headteacher appoints the Senior Management Team to assist her in the day to day management of the School.

The Headteacher is also appointed by the Governing Body as Accounting Officer and is thereby held responsible to the Governing Body and the Secretary of State for the financial propriety of the School's affairs. The Accounting Officer is required to make a statement in the Company's financial report regarding governance, regularity, propriety and compliance.

The Governing Body has appointed the Principal Finance Officer to manage the day to day financial affairs of the School under the supervision of the Headteacher and also appointed a non staff Governor to act as Responsible Officer in an internal audit role.

**Governors' Report (continued)**

**Members' Liability**

Each member of the Company undertakes to contribute to the assets of the 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**

Subject to the provisions of the Companies Act 2006 every Governor or other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred in acting in such capacity in successfully defending any proceedings, whether civil or criminal, against him/her

Subject to certain customary exceptions, a Governor may benefit from indemnity insurance purchased at the Company's expense to cover the liability of Governors in respect of any negligence, default, breach of trust or breach of duty in relation to the Company

Governors' liability insurance is provided by Chubb Insurance Company of Europe The limit of indemnity is £4 million

**Principal Activities**

The principal activities of the Company are contained in the Company's Articles of Association and the Academy Funding Agreement The object of the Company is 'to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a selective school with a designated religious character which is Christian offering a broad and balanced curriculum'

Tiffin School is a boys' selective state school of 1070 students aged between 11 and 19 The School provides a highly academic education to its students in a broad range of subjects and also offers a wide range of extracurricular activities, particularly in sport and the performing arts

**Method of Recruitment and Appointment or Election of Governors**

The total number of Governors shall be not less than three and is not subject to any maximum The Headteacher is an ex officio Governor with full voting rights The normal term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Headteacher or to any Governor appointed by the Foundation that ceases to be a trustee of the Foundation Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected without limit

The Foundation (registered charity number 312997) is the body in which responsibility for the provision of a boys' school at the site in Kingston upon Thames is vested under its charitable scheme. The Articles of Association of the Company allow for the Foundation to maintain an overall majority of Governors on the Governing Body For further information on the Foundation refer to the section on Related Parties on page 6 and note 27 to the accounts

## **Tiffin School**

### **Governors' Report (continued)**

The Governors are appointed or elected as follows

- The Foundation shall appoint such number of Governors who are also Foundation Trustees ("Foundation Governors") so as to ensure a majority in number of Foundation Governors over any other class of Governor of at least one
- The Governing Body may appoint Staff Governors through such process as they may determine (see below), provided that the total number of Governors (including the Headteacher) who are employees of the School does not exceed one third of the total number of Governors
- The Governing Body shall appoint the Local Community Governor
- A minimum of 2 Parent Governors and up to a maximum of 3 Parent Governors may be elected or appointed. Parent Governors shall be elected by parents of registered pupils at the School. A Parent Governor must be a parent of a pupil at the School at the time they are elected. Parent Governors do not need to resign if their son leaves the school but may not stand again when their term of office expires
- The Governors may appoint up to 3 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Principal)
- Under the terms of the Articles of Association the Secretary of State has wide powers to appoint and remove Governors in certain adverse circumstances
- All classes of Governor have an equal vote with one vote per Governor

The Chairman of Governors and Vice-Chairman of Governors are each elected at the start of each School year by the other Governors though elections arranged by the Clerk

When vacancies occur on the Governing Body the vacancy will be filled in accordance with the requirements of the particular class of Governor in which the vacancy has occurred. Co-opted Governors will usually be appointed by the Governing Body to fulfil any particular need or skills requirement

Staff Governors shall be elected by a secret ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the School (excluding the Headteacher). All arrangements for the calling and the conduct of the election and resolution of questions as to whether any person is an eligible candidate shall be determined by the Governing Body. If a Staff Governor ceases to work at the School then they shall be deemed to have resigned and shall cease to be a Governor automatically on termination of their work at the School. Any election of a Staff Governor which is contested shall be arranged by the Clerk to the Governors and held by secret ballot of all staff. The Governing Body has determined that one Staff Governor shall be a member of the teaching staff at the School and one shall be a member of the non-teaching staff at the School unless the Governing Body direct otherwise from time to time.

In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the School, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age. The arrangements made for the election of a Parent Governor provide for every person who is entitled to vote in the election to have an opportunity to do so by post or by ballot paper. Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the School is informed of the vacancy and that it is required to be filled by election,



**Governors' Report (continued)**

informed that he/she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

**Policies and Procedures Adopted for the Induction and Training of Governors**

All new Governors are provided with an induction pack. They also meet separately with the Chairman of Governors and the Headteacher where they receive a briefing on important aspects of the School including, its history, its governing documentation and its associated bodies and its future plans. Governors are encouraged to attend external relevant courses or seminars that specialise in governor training such as those traditionally provided by the local authority and the costs of doing so are met by the School. Information relating to Governors is placed on the School website virtual learning environment (VLE) portal, where they can access all meeting agendas, minutes of meetings and policy documents.

**Organisational Structure**

In addition to the full Governing Body there are a number of sub-committees all of which have delegated responsibilities to make decisions. The committees are Finance, Admissions, Curriculum & Student, Personnel and Sites & Premises. There is also a Health and Safety panel which some Governors attend. Where possible, Governors with relevant skills are appointed to each committee. Committees meet a minimum of once each term and reports from each committee are tabled at the next full Governing Body meeting that follows. The terms of reference for each committee are decided at the first meeting of the academic year. All decisions taken by a committee which has a financial impact are also referred to the next Finance Committee meeting for approval of the financial aspects thereof. The Finance Committee usually therefore meets last in any cycle of committee meetings and just before the full Governing Body meeting.

The Headteacher together with relevant members of the Senior Management Team attend each committee and are encouraged to contribute to the agenda items being discussed. The day to day management of the School is delegated by the Governing Body to the Headteacher as chief executive who is given discretion to operate the School within the approved budget and in accordance with the School Improvement Plan. The Headteacher appoints the Senior Management Team to assist her in the day to day management of the School. The Governing Body has appointed the Principal Finance Officer to manage the day to day financial affairs of the School under the supervision of the Headteacher. All proposals which are outside the approved budget must come before the Finance Committee and/or Governing Body depending on their nature. In times where a speedy decision must be taken, an ad hoc Governors' group will be consulted, with their decision ratified by the relevant committee or Governing Body at a later date.

Major decisions regarding the School are reserved for the full Governing Body.

**Risk Management**

The Governors have assessed the major risks to which the School is exposed, in particular those relating to teaching, safeguarding, finance, facilities, School trips, health and safety, and other operational areas of the School. Appropriate systems, policies, procedures and controls have been put in place so as to ensure that the various risks do not impact adversely on its students or the operation of the School. Where possible, appropriate insurances are in place for insurable risks and also cover facilities used by the School at Grist's and the Canbury Boat House.

These risks are identified and maintained on a risk register and rated in terms of impact and likelihood of occurrence together with a statement on the controls in place to mitigate their effect. The risk register and insurances are formally reviewed by each committee and the full Governing Body on an annual basis, however risk management and the evaluation of already identified risk and the identification of new risk is considered an on going integral part of the day to day management of the School.

## **Tiffin School**

### **Governors' Report (continued)**

#### **Connected Organisations, including Related Party Relationships**

The Company is not part of a wider federation or network of schools. The Company does however have close relationships with the following charities and companies:

##### **Tiffin School Foundation**

The Foundation is constituted under the terms of a scheme, which was approved by the Charity Commissioners for England and Wales and sealed on 14 September 1978, and is registered with the Charities Commission under registration number 312997. The object of the Foundation is the provision and conduct of a day school for boys. Under the terms of the scheme the existing land and buildings at London Road, Kingston upon Thames were vested in the Foundation Trustees through the Official Custodian, in addition to shares in the Charities Official Investment Fund. The land and buildings are now used by Tiffin School in accordance with a supplemental agreement to the Academy Funding Agreement between the Secretary of State, the Foundation and the Company. The School is not required to pay rental or a licence fee to the Foundation for the use of its land and buildings.

With effect from September 2012 the Foundation has also taken responsibility for the custody of all parental contributions to the Tiffin Education Fund from parents of students who are new to the School in or after September 2012. The Foundation is registered with HMRC for Gift Aid.

Trustees of the Foundation represent a majority of the Governing Body pursuant to the Articles of Association of the Company. The Foundation Trustees who also served as Governors of the School during the financial period were:

P Phillips, J Lulham, R Bruce, J Hasler-Winter (appointed February 7, 2012), J Heath, G Pavey (resigned February 7, 2012), S Thomas, E Trump, J Turner, J Venables, and P Wardley.

J King, an employee of the School, was also appointed a Foundation Trustee in September 2012.

The Foundation receives income from its investments and from the rental of its land and buildings to third parties. Under the terms of the Foundation's scheme, as modified, the Foundation is required to pay 3/13<sup>th</sup> of certain elements of its unrestricted income to the Tiffin Girls School.

##### **Tiffinian Limited and Elmfield Enterprises Limited**

Tiffinian Limited is a charitable company limited by guarantee, incorporated on 18 May 1976 (company number 01259497) and registered as a charity on 16 June 1976. Its trustees include alumni of the School, Governors of the School, the Headteacher, and past and present teachers of the School. Its aim is to support the School in enriching the experience of its pupils by encouraging voluntary parental donations to assist with the finance of the many extracurricular activities that take place at the School and the funding of capital expenditure. Tiffinian Limited receives and holds custody of parental contributions made by parents towards the Tiffin Education Fund for the benefit of the School. From September 2012, as a result of the conversion of the School to academy status, the Governing Body has decided that custody of donations made by parents of new students entering the School during or after September 2012 will be held by the Foundation.

Trustees/directors of Tiffinian Limited that also served as Governors or who were employees of the School during the financial period are listed in the Accounts at Note 27.

In 1993, Tiffinian Limited set up a trading subsidiary, Elmfield Enterprises Limited ("Elmfield"). The principal activity of this company is the operation of the school shop. The directors of Elmfield who also served as Governors or were employees of the School are listed in the Accounts at Note 27.

## **Tiffin School**

### **Governors' Report (continued)**

#### **Tiffinian Association Limited.**

Tiffinian Association Limited ("TAL") was incorporated as a company limited by guarantee on 4 June 2008 thereby amalgamating a number of charities and entities linked to the maintained school. It was registered as a charity on 3 September 2008. The trustees/directors of TAL and its predecessor charities have usually been alumni of the School. The main object of TAL is to "promote the participation in healthy recreation for the benefit of former and present pupils of Tiffin School, and their families, employees of Tiffin School and their families, others associated with Tiffin School and the local community of Kingston upon Thames and its environs".

TAL owns extensive playing fields known as Grist's near Hampton Court which are made available to the School and to third parties for sport and recreational purposes. The School has historically used and maintained one of the two pavilions at Grist's known as the Harper Pavilion and certain portions of the playing area for the sporting activities of its students. At the time of conversion to academy status, the Trustees of TAL agreed to allow the School to assume the same use and maintenance arrangements that the maintained school had enjoyed and been responsible for, pending the results of ongoing discussions between the School and TAL regarding the future of Grist's. The discussions are at an advanced stage and are highly likely to result, in the view of the Governing Body, in the continued use of Grist's by the School and the probability of an enhanced role for the School in the maintenance and exploitation of all the facilities at Grist's including a second pavilion called the Dean Pavilion.

The Governing Body of the School does not consider TAL to be a related party. P. Phillips, Chairman of Governors is also a trustee of TAL.

#### **Canbury Boat House**

Canbury Boathouse Limited ("CBH") is a company registered in England and Wales (number 00815108) whose principal activity is to maintain the Canbury Boathouse in Kingston upon Thames. Tiffin School makes use of Canbury Boathouse together with the Kingston Rowing Club under a licence from CBH. Directors of CBH that were also employees of the Company during the year are shown in Note 27 to the Accounts.

### **Objectives and Activities**

#### **Objects and Aims**

The object of the Company as specified in its Articles of Association is "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a selective school with a designated religious character which is Christian offering a broad and balanced curriculum".

In interpretation of its statutory objects the Governors and staff of Tiffin School seek to create an environment that both fosters outstanding academic achievement and also actively encourages its students to participate in the widest possible range of extra curricular activities and other opportunities. As well as a commitment to its students the Governors consider the School's role within the local community as an important aspect of the School's obligations and readily make its facilities available to the public and provide community support to local primary schools.

Tiffin School is a boys' selective state school of 1070 students that converted from a voluntary aided grammar school to academy status in July 2011. Approximately two thirds of its students are aged 11 to 16 with the remainder aged 16 to 19 attending the sixth form. The school is located in the centre of the Royal Borough of Kingston upon Thames and its origins date back to 1638. The first school building was built in 1880 near the Fairfield in Kingston and it has occupied its current London Road site since 1929. The maintained school "Tiffin School" was judged to be outstanding in the last full OFSTED inspection in 2007.

**Governors' Report (continued)**

The School's Vision Statement is that of "A leading creative community, an enduring love of learning"

Tiffin School aims to create a caring, stimulating and secure environment, in which able students will develop personally, socially and academically through involvement in the wide range of opportunities the School has to offer, preparing students for adulthood, further learning, the workplace, and for taking a responsible place in society. The School aims to manifest its vision through emphasis on the following

- Outstanding academic achievement
- Moral and social development
- Wider opportunities in sports and the performing arts
- Preparation for a lifetime of learning
- Innovation and cutting edge creativity

**Objectives, Strategies and Activities**

The Governors established their aims for 2011/12 in their School Improvement Plan. A summary of the main aims and outcomes and exam results are summarised below under Achievements and Performance

**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 exercising their duties. By its very nature as a state funded school, the Governors believe the School fulfils this requirement by providing access to a first class non fee paying education subject only to academic ability. Our other activities undertaken in furtherance of public benefit include the allocation of resources both in terms of staff time and finances to support local primary schools in improving the education and extracurricular experiences of their students. The School also allows its sports centre and all weather multi use games area to be made available for public hire outside of regular School hours

**Achievements and Performance**

**Conversion to Academy Status**

The conversion to academy status which occurred on 1 July 2011 was a major organisational and structural change in the life of the School. The ethos and aims of the School were however unaffected. The change did involve significant attention from Governors, the Head, the Principal Finance Officer and the Senior Management Team, to ensure an effective and smooth transition before, during and after conversion. Although the constitution of the Governing Body was largely unchanged after transition, Governors were required to accept added responsibilities as Directors and Trustees. The Governing Body, and its sub committees were quickly reconstituted and terms of references and authorities approved for the new Tiffin School. The transition of employees under TUPE arrangements was effected smoothly. The day to day management of the School continued unaffected. A summary of the conversion process is given below

Legislation was introduced under the Academies Act 2010 to allow Ofsted rated outstanding schools to convert to academy status. In doing so a school would cease to receive funding from and be maintained by its local authority and instead after conversion manage its affairs independently and receive funding directly from the central government. After careful consideration by the governing body of the maintained school and consultation with all stakeholders including, parents, employees, students, alumni, and local residents, decisions were taken in November 2010 by the Foundation and the governing body of the maintained school to convert to academy status on or about 1 April 2011. The main advantages of becoming an academy were perceived to be gaining control over all the school's financial resources and additional freedoms over curriculum, term dates, and personnel

## **Tiffin School**

### **Governors' Report (continued)**

A company named "Tiffin School" was established and registered with Companies House on 1 March 2011 to act as the academy trust for the proposed conversion of the maintained school then known as "Tiffin School" to academy status on 1 April 2011. As a result of a legal technicality, conversion to academy status was actually delayed until 1 July 2011. The technicality related to the maintained school's incorrect designation as a Church of England school under section 69(3) of the School Standards and Framework Act 1998 rather than having a Christian religious character as required under the Tiffin School Foundation Scheme. The maintained school had never in fact been under the control or influence of the Church of England. The designation was rectified by order of the Secretary of State in June 2011 and conversion to academy status followed on 1 July 2011 without further issue.

Certain changes were agreed between the Foundation Trustees and the Secretary of State to the 1978 Tiffin School Foundation Scheme in connection with conversion to academy status. These were enacted under a Modification Order by the Secretary of State dated 1 July 2011.

The Company was required to enter into the Academy Funding Agreement with the Secretary of State which regulates the School's financial affairs, a copy of which is available on the School's website. In addition the School entered into a Land Supplemental Agreement with the Tiffin School Foundation and the Secretary of State over the use of the Foundation's land and buildings and a Transfer Agreement with the governing body of the maintained school and The Royal Borough of Kingston upon Thames over the transfer of certain assets and liabilities of the maintained school to the School. Agreements regarding the continued use of Grists with the trustees of TAL and the directors of the Canbury Boathouse were reached and will be memorialised formally during the next accounting period.

### **Admissions**

The School was heavily oversubscribed in 2011/2012 with nearly 1700 applicants for 140 places for entry to Year 7 in September 2011 and again in 2012. There were over 300 applications to join the Sixth Form from external students of which 55 were accepted in September 2011.

### **Examination Results**

The achievements of the students were outstanding at both GCSE and A level.

### **GCSE Results**

The percentage of grades at A\* and A were 81.9%. This is the 5<sup>th</sup> year in succession that A\*/A grades were above 80%. On these criteria "The Times" newspaper placed Tiffin School as the 6<sup>th</sup> ranked boys' state school in the country and compared with other boys' selective schools we were achieving more A\*/A grades. Our students achieved 50.7% A\* grades alone, the highest ever and 92.4% of the cohort achieved the E-Bac Qualification (passes in English, Maths, a modern language, a science, and either Geography or History). The 2011 national Raise Online Value Added score in 2011 was 1031 for the best 8 subjects including English and Maths, this placed Tiffin in the top 7% of state schools in the country. Overall there was no underperformance by any specific group at Tiffin School. Our multilingual learners achieved as highly as those who had English as a first language.

The progress from KS2 to KS4 of the School's students in English and Maths is outstanding.

<b>English</b>	<b>4 Levels progress</b>	<b>3 Levels progress</b>
2012	71.3%	97.5%
2011	80.2%	96.6%
<b>Maths</b>	<b>4 Levels progress</b>	<b>3 Levels progress</b>
2012	98.4%	100%
2011	98.3%	99%

## **Tiffin School**

### **Governors' Report (continued)**

#### **"A" Level Results**

At A Level 89.9% of grades were A\*/A/B which was our third best ever result "The Times" placed the school as the 5<sup>th</sup> highest performing boys' state school in the country. The percentage of A/A\* grades were the highest ever at 69.6% and 30.3% of these grades were at A\*. 98 students gained 3 grade A's or better and 20 students achieved 3A\* grades or better. 17 students gained Oxbridge places.

#### **Retention of students**

The number of year 11 students choosing to stay at Tiffin for their post 16 education was very high in 2012 at 94.4% compared to 90.5% in 2011. Very few students leave the School during their AS course once settled into the sixth form. Similarly students typically do not leave during their Upper 6th year. Over 80% of our students who gained a place at university in 2012, did so at Russell group universities to study a wide range of subjects, this clearly illustrates the outstanding academic performance of the School in 2011/2012.

#### **The Governors' School Improvement Plan for 2011/2012**

The Governors established the School's aims for 2011/12 in their School Improvement Plan. The main focus areas were as follows:

1. To develop a new Multi Lingual Language (MLL) plan
2. To implement new assessment processes for Key Stage 3 (KS3)
3. To develop and implement a new KS3 curriculum for September 2012.
4. To further embed the Virtual Learning Environment (VLE) in line with teaching and learning initiatives
5. To introduce a new programme to replace Social and Moral Development and to develop a new approach to personal and individual development education
6. To develop new links with partner schools through Academy status. To build on Languages, Sport, Creative and Performing arts links and to investigate other support programmes
7. To explore the future development and expansion of the School
8. To produce a new Self Evaluation (SEF) model for the School and departments to ensure continued outstanding status
9. To carry out a major audit and review of the IT provision in the School

The Governors consider that all aims were achieved and are recorded in Governing Body meeting minutes. Governors were particularly pleased with the success of our outreach programme with partner schools and building on our continued strength in the Performing Arts, Languages and other areas of the curriculum during the year.

## **Tiffin School**

### **Governors' Report (continued)**

#### **Events in 2011/2012**

The School had an excellent year with successes in a range of wider opportunities and activities for the students, especially in the fields of Sport, Music, Dance, Languages and Drama. The key events of the year are recorded in the half termly newsletter that the Headteacher sends out to the parents and the Tiffin community via the Website and ParentMail.

The Governors were particularly pleased with the new working relationship with primary schools in Kingston through the Academies programme, especially with our two partner primary schools of St Joseph's and Kings Oak primary schools. The Academy outreach programme, coupled with the School's specialist community programmes in Music and Languages, has involved many members of the Kingston community with the School. Together with the success of the Tiffin Sports Centre, the new development of the MUGA, and the refurbishment of Canbury Boathouse, the School has extended its role within the community and increased the influence of Tiffin as a centre of extended learning in 2011/12.

The Governors' Master Plan for the development of the school site was further developed with the refurbishment of the school field by building a multi-use games area (MUGA), new cricket nets and improvements to the Sports Centre environs. In addition, the next phase of the school building plans were prepared for planning permission. This project was named LRC2 and received full planning permission in November 2012. It will allow the school to expand by enlarging the post-16 provision on site, allow for another form of entry at age 11 and replace the ageing Kitchen and Dining Hall areas. This major project will become the fund raising target for the next two years.

The prudent budgeting, strong leadership provided by the Governors in association with the Headteacher and Senior Management Team and an excellent teaching and associate staff, has resulted in an outstanding year of achievement for Tiffin School in its first year as an academy.

#### **Going Concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Company 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**

While the accounts cover the 18 month period from 1 March 2011 to 31 August 2012, the operation of Tiffin School as an academy commenced on 1 July 2011 and the Company did not trade prior to this date. Incoming Resources amounted to £8.4 million and consisted mainly of funding received towards the School's educational operations, of which £6.6 million was General Annual Grant (GAG) funding received directly from the EFA, with additional funding received from various grants and other income directly supporting educational activities. In addition Activities for Generating Funds contributed £722k, with the unrestricted element of this being generated through the community use of the sports centre and the School's in house catering facility (equivalent cost included under resources expended). The restricted funds element of this line was largely derived from contributions towards school trips, which again have an equivalent cost incurred under resources expended.

## **Tiffin School**

### **Governors' Report (continued)**

Further incoming resources came from Voluntary Income, an important source of revenue to the School that enables it to maintain a broad extra-curricular programme and provide essential additional capital funding at a time when such grant funding is severely restricted. Voluntary Income during the year includes contributions from parental donations received via Tiffinian Limited and also contributions from Tiffinian Association Limited and the Tiffin School Foundation. Shown under the Restricted Fixed Asset Fund are donations towards the cost of constructing the School's all weather sports facility (MUGA) and cricket nets, a large proportion of which is parental contributions received via Tiffinian Limited. This project was completed in the autumn of 2011 at a cost of £375k. The School received a further £45k in grant funding from the Football Foundation specifically towards the cost of the all weather facility. The Governors wish to give their sincere thanks to all parents that are contributing to the Tiffin Education Fund which has enabled the School to provide this first class facility to all Tiffin students and the wider community.

During the financial period the School was successful in bidding for £124k of capital funding from the EFA towards the cost of replacement windows and roof repairs to the Elmfield building. This work was essential in order to maintain adequate classroom provision and was largely completed during the 2012 summer break. Unfortunately a further bid to improve the ageing toilet facilities within the School was declined by the EFA. However, the Governors took the decision that the provision of modern and more appropriate facilities for students and visitors was a priority. Therefore funding was sourced from parental contributions and by reprioritising the existing premises budget in order to complete the work over the summer period.

Total resources expended amounted to £7.7 million, incurred entirely in maintaining the continuing operation of the school. Note 8 to the accounts provides a detailed breakdown of how these costs were incurred. The resulting net income for the period was £730k of which £724k was tied up in the Restricted Fixed Asset Fund.

Actuarial losses on non teaching staff membership of the Local Government Pension Scheme amounted to £351k during the period, adding to the £962k deficit transferred on conversion to academy status. The detailed calculations and assumption used by the Actuary are shown in note 26 to the accounts.

Net Assets at 31 August 2012 were a negative £449k, including the long term pension liability valued at £1.3 million. The balance sheet included £762k as the net book value of fixed assets acquired since conversion, with the balance of net assets representing the working capital of the school.

#### **Key Financial Performance Indicators**

The Finance Committee regularly reviews key performance indicators and these statistics are included in the management accounts pack presented to the committee at each meeting. Key performance indicators, stated for the 12 month period to 31 August 2012, were as follows:

Public funded income per student	£5,320
Total income per student	£5,546
Teaching staff cost per student	£3,257
Total cost per student	£5,458
Student teacher ratio	15.4
Teaching as a % of total cost	59.7%
Staff costs as a % of total cost	77.7%

The Finance Committee is satisfied that these key performance indicators were in line with expectations.



**Governors' Report (continued)**

**Principal Risks and Uncertainties**

As stated on page 5 the Governors have assessed the major risks to which the School is exposed and those risks have been identified on a Risk Register. The Governors consider the principal risks to which the Academy Trust is exposed to be

- Safeguarding of the School's students
- Reduced government funding resulting in further pressure on the School's cost base
- The increasing cost of maintaining an ageing premises and related Health and Safety issues
- Ensuring an effective business continuity plan is in place, with particular regard to the continuation of teaching in the event of loss of premises, protection and reinstatement of information management systems and loss of key employees

**Reserves Policy**

The Governors review reserves throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves held. The reason for holding free reserves is to provide sufficient working capital to cover delays between spending and the receipt of grants, to provide a cushion to deal with unexpected emergencies and to bridge the gap where grant funding is not sufficient to meet the development needs of the School.

Given the certainty of GAG funding in the next accounting period and following a detailed review of on-going expenditure and financial risk factors the Governors believe that an appropriate level of free reserves should be within a range of 1% to 3% of annual operating expenditure. The level of free reserves (GAG and unrestricted funds that are readily realisable) at the year end was £83k, which is within the target range.

The deficit on the local government pension scheme of £1.3 million (see note 26 to the accounts) is not relevant to short term funding and is therefore considered not relevant when determining the level of free reserves. The liability is not due in the following accounting period and the deficit will be addressed, based on the recommendations of the scheme actuary, over many years.

It should be noted that the School has access to parental donations that are held separately from the assets of the Company. These funds are held by Tiffinian Limited and (from September 2012 onwards) the Foundation and are released to the School, by the trustees of each respective charitable company, upon application by the School management.

**Investment Policy**

Tiffin School does not hold non cash investments. The main School bank accounts are held with Barclays Bank PLC ("Barclays") with a separate small holding with the CCLA. Barclays arrange an automatic sweep of funds from the current account into a business premium account each night retaining a £500 balance in the current account. Interest from bank accounts is shown in note 5 to the Financial Statements.

## **Tiffin School**

### **Governors' Report (continued)**

#### **Plans for Future Periods**

Tiffin School will continue to strive to improve the level of performance of its students at all ages and levels of ability as well as to provide and facilitate those wider opportunities that mark Tiffin out as a School with a much broader focus than exam achievement alone

The Governors and Senior Management Team prepare and review a rolling 3 year strategic School Development Plan on an annual basis and the stated aims and key objectives for 2012-2013 include

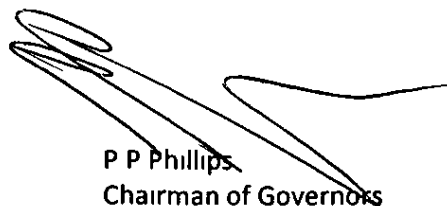
- To carry out a professional review of Tiffin School to assess the standards being achieved in all aspects of the School's affairs against the new OFSTED standards of September 2012
- To implement the new Teaching and Learning policy to assist in achieving and maintaining outstanding outcomes for all
- To implement new national teaching standards and amend Performance Management in light of national changes
- To continue embedding new assessment procedures over student work and enhance online reporting facilities
- To continue the programme of updating the IT infrastructure in order to provide a better and more cost effective implementation of the IT Development plan
- To address projected reductions in government funding for the budget year 2013/14 and to identify potential for cost reduction and income generation opportunities
- To complete the centralisation of the administration and management of all aspects of Tiffin School under the control of the Foundation and the Governing Body and to work towards funding LRC2

#### **Auditor**

Insofar as the Governors are aware

- there is no relevant audit information of which the 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

Approved by order of the Governing Body on 20 November 2012 and signed on its behalf by



P P Phillips  
Chairman of Governors

## **Tiffin School**

### **Governance Statement**

#### **Scope of Responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that Tiffin School 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Academy Funding Agreement between Tiffin School and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Governing Body 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 Governing Body has formally met 6 times during the period covered by this report. Attendance during the year at meetings of the Governing Body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
P Phillips (Chairman)	5	6
R Bruce	6	6
K Davis	6	6
J Ellis (Appointed March 2012)	1	1
V Evans	5	6
M Garner (Appointed October 2011)	4	4
J Hasler-Winter	6	6
J Heath	5	6
J Lulham (Responsible Officer)	6	6
C O'Connell (Staff Governor)	6	6
G Pavey (resigned February 2012)	3	4
P Rennie (Staff Governor)	4	6
I Sedgley (Staff Governor)	5	6
S Thomas	4	6
E Trump	5	6
J Turner	6	6
J Venables	4	6
P Wardley	6	6
H Clarke (Headteacher and Accounting Officer)	6	6

The Finance Committee is a sub committee of the main Governing Body. Its purpose is to review the budget, management accounts and annual statutory accounts of the Company and its responsibilities extend further to the oversight of audit management letters, financial systems and controls, adherence to financial regulations and insurance. Attendance at meetings in the year was as follows:

## Tiffin School

### Governance Statement (continued)

Governor	Meetings attended	Out of a possible
J Heath (Chairman)	4	4
P Phillips	4	4
R Bruce	4	4
K Davis	3	4
J Hasler-Winter	4	4
I Sedgley (Staff Governor)	4	4
J Venables (resigned from Finance Committee July 2012)	3	4
H Clarke (Headteacher and Accounting Officer)	4	4

### 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 Tiffin School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Company's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

### The Risk and Control Framework

The Company'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 monthly financial reports which are reviewed and where appropriate agreed by the Governing Body,
- regular reviews by the Finance Committee of reports which indicate financial performance against budget and 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 Governors have appointed Mr J Lulham, Vice Chair of Governors and a qualified accountant, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Company's financial systems and this is performed in association with a dedicated bought in RO service provided by the auditors of the Company. On a quarterly basis the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

**Governance Statement (continued)**

The RO function has been fully delivered in accordance with the requirements of the Education Funding Agency and no material control issues have been identified.

The Governing Body has as of the date of this Report established a separate Audit Committee as indicated by the Academies Financial Handbook September 2012

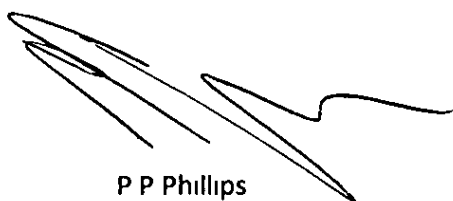
**Review of Effectiveness**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control which comprises:

- the work of the Responsible Officer,
- the work of the external Auditor,
- the financial management and governance self-evaluation ("FMGE") process,
- the work of the executive managers within the Company who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has considered the implications of this work and a plan to ensure continuous improvement of the system is in place

Approved by order of the Governing Body on 20 November 2012 and signed on its behalf by



P P Phillips  
Chairman of Governors



H M M Clarke  
Accounting Officer

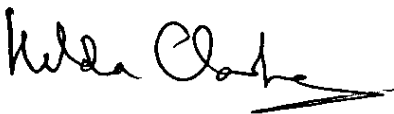
**Tiffin School**

**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Tiffin School I have considered my responsibility to notify the School's Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the Academy Funding Agreement in place between the School and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the School's Governing Body are able to identify any material irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School's Academy Funding Agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



H M M Clarke  
Accounting Officer

20 November 2012

## Statement of Governors' Responsibilities

The Governors (who act as trustees for charitable activities of Tiffin School and are also the directors of the Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to

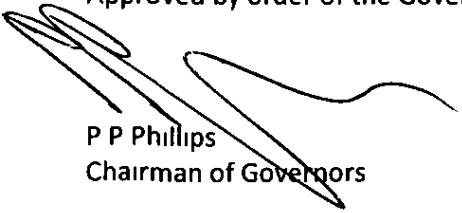
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the Governing Body on 20 November 2012 and signed on its behalf by



P P Phillips  
Chairman of Governors

## **Independent Auditor's Report on the Financial Statements to the Governing Body of Tiffin School**

We have audited the financial statements of Tiffin School for the period ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company, 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 Company's members those matters we are required to state to them in an Auditors' 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 company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

### **Respective responsibilities of governors and auditor**

As explained more fully in the Governors' Responsibilities Statement, the trustees (who are also the directors of the Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Governors' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.



**Matters on which we are required to report by exception**

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

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



David Sewell, Senior Statutory Auditor,  
For and on behalf of haysmacintyre, Statutory Auditors

Fairfax House  
15 Fulwood Place  
London WC1V 6AY

*22 November* 2012

**Independent Auditor's Report on Regularity to the Governing Body of Tiffin School and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 20 September 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the Company during the period 1 March 2011 to 31 August 2012 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 the Governing Body and the EFA. Our review work has been undertaken so that we might state to the Governing Body and the EFA those matters we are required to state to it 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 Governing Body and the EFA, for our review work, for this report, or for the opinion we have formed

**Respective responsibilities of the Governing Body and Auditors**

The Governing Body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 March 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

**Basis of opinion**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA

**Opinion**

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 March 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



haysmacintyre

22 November .... 2012

**TIFFIN SCHOOL**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE PERIOD ENDED 31 AUGUST 2012**

	Note	Unrestricted Funds £'000	Restricted General funds £'000	Restricted Fixed asset Funds £'000	18 month Total £'000
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds.</b>					
Voluntary income	3	108	27	405	540
Activities for generating funds	4	383	339	-	722
Investment income	5	1	-	-	1
<b>Incoming resources from charitable activities:</b>					
Funding for the School's educational Operations	6	2	6,937	239	7,178
<b>Total Incoming Resources</b>		<b>494</b>	<b>7,303</b>	<b>644</b>	<b>8,441</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of Generating Funds</b>					
Costs of generating voluntary income		23	-	-	23
<b>Charitable Activities</b>					
School's educational operations	8	408	7,190	47	7,645
Governance Costs	9	-	43	-	43
<b>Total Resources Expended</b>	<b>7</b>	<b>431</b>	<b>7,233</b>	<b>47</b>	<b>7,711</b>
<b>Net incoming resources before transfers</b>		<b>63</b>	<b>70</b>	<b>597</b>	<b>730</b>
Gross transfers between funds	17	(13)	(114)	127	-
<b>Net income for the period</b>		<b>50</b>	<b>(44)</b>	<b>724</b>	<b>730</b>
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	17,26	-	(351)	-	(351)
<b>Net movement in funds</b>		<b>50</b>	<b>(395)</b>	<b>724</b>	<b>379</b>
Transfer of assets on conversion to academy	28	33	(873)	12	(828)
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 March 2011	17	-	-	-	-
<b>Total funds carried forward at 31 August 2012</b>		<b>83</b>	<b>(1,268)</b>	<b>736</b>	<b>(449)</b>

All of the School's activities derived from continuing operations during the period. A statement of recognised gains and losses is not required as all gains and losses are included in the Statement of Financial Activities.

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

## BALANCE SHEET

AS AT 31 AUGUST 2012

	Notes	2012 £'000	£'000
<b>FIXED ASSETS</b>			
Tangible assets	13		762
<b>CURRENT ASSETS</b>			
Stock	14	4	
Debtors	15	268	
Cash at bank and in hand		471	
		<u>743</u>	
<b>CURRENT LIABILITIES</b>			
<b>CREDITORS:</b> amounts falling due within one year	16	(632)	
		<u></u>	
<b>NET CURRENT ASSETS</b>			111
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>873</u>
Pension scheme liability	26		(1,322)
<b>NET LIABILITIES (including pension scheme liability)</b>			<u>(449)</u>
<b>FUNDS</b>			
<b>Restricted income funds</b>			
Fixed asset funds	17		736
General funds	17		54
Pension reserve	17		(1,322)
<b>Total restricted funds</b>			<u>(532)</u>
<b>Unrestricted Income funds</b>			
General funds	17		83
<b>Total unrestricted income funds</b>			<u>83</u>
<b>Total funds</b>			<u>(449)</u>

The financial statements were approved and authorised for issue by the Governing Body on 20 November 2012 and were signed on their behalf by



Mr P P Phillips  
Chairman of Governors

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

**TIFFIN SCHOOL**

**CASH FLOW STATEMENT**

**FOR THE PERIOD ENDED 31 AUGUST 2012**

	<b>Notes</b>	<b>2012 £'000</b>
<b>Net cash inflow from operating activities</b>	21	408
Cash transferred on conversion to an academy trust		215
Returns on investments and servicing of finance	22	1
Capital expenditure	23	(153)
<b>Increase in cash in the period</b>	24	<u>471</u>
<b>Reconciliation of net cash flow to change in net funds</b>		
Net funds at 1 March 2011		-
Increase in cash		<u>471</u>
<b>Net funds at 31 August 2012</b>		<u>471</u>

All of the cash flows are derived from continuing operations in the current financial period

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2012

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**1. ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements 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 2012 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below

**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 financial statements

**Incoming Resources**

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

- **Grants receivable**  
Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.
- **Sponsorship income**  
Sponsorship income provided to the Company which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.
- **Donations**  
Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.
- **Other income**  
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.
- **Donated Services and gifts in kind**  
The value of donated services and gifts in kind provided to the Company are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Company can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Company's policies.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

**Resources Expended**

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

- **Costs of generating funds**  
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable activities**  
These are costs incurred on the Company's educational operations.
- **Governance Costs**  
These include the costs attributable to the Company's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of any irrecoverable VAT.

**Tangible Fixed Assets**

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold buildings	2 – 10%
Building Refurbishment and Improvements	5 – 10%
Fixtures, fittings and equipment	10 – 20%
ICT equipment	25 – 33%
Motor Vehicles	5 – 10%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE PERIOD ENDED 31 AUGUST 2012**

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**1. ACCOUNTING POLICIES (continued)**

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.

**Leased Assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

**Stock**

Unsold stocks are valued at the lower of cost or net realisable value.

**Taxation**

The Company meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is exempt from taxation in respect of income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

**Pensions Benefits**

Retirement benefits to employees of the Company are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Company.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi employer scheme and the Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE PERIOD ENDED 31 AUGUST 2012**

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**1. ACCOUNTING POLICIES (continued)**

**Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the relevant funding body 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

**Academy Conversion**

The conversion from a state maintained school with voluntary aided status to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the School for £nil consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from Tiffin School (voluntary aided) to Tiffin School (academy trust) have been valued at their fair value being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. The fair value is in accordance with the accounting policies. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in the Statement of Financial Activities and analysed under unrestricted, restricted general and restricted fixed asset funds. Further details of the transactions are set out in note 28.

The land and buildings occupied by the School remain under the ownership of the Tiffin School Foundation, which has granted a right of use to the School under a licence. Accordingly, these assets have been excluded from the School's accounts.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2012

2. GENERAL ANNUAL GRANT (GAG)	18 months 2012 £'000
a) Results and Carry Forward for the years	
GAG brought forward from previous year	-
GAG allocation 1 July 2011 to 31 August 2011	933
GAG allocation for the year to 31 August 2012	5,695
<b>Total GAG available to spend</b>	<b>6,628</b>
Recurrent expenditure from GAG	(6,491)
Fixed assets purchased from GAG	(114)
<b>GAG carried forward to next year</b>	<b>23</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(683)
<b>GAG to surrender to DfE</b> (12% rule breached if result is positive)	<b>(660)</b>
	No breach

3. VOLUNTARY INCOME	Unrestricted Funds £'000	Restricted Funds £'000	18 month Total £'000
Capital grant	-	405	405
Other donations	108	27	135
	<b>108</b>	<b>432</b>	<b>540</b>

4. ACTIVITIES FOR GENERATING FUNDS	Unrestricted Funds £'000	Restricted Funds £'000	18 month Total £'000
Hire of facilities	114	-	114
Concerts and performances	17	-	17
School trips	-	335	335
Catering income	239	-	239
Other income	13	4	17
	<b>383</b>	<b>339</b>	<b>722</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2012

<b>5. INVESTMENT INCOME</b>		<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>18 month Total £'000</b>
Short term deposits		1	-	1
<b>6. FUNDING FOR SCHOOL'S EDUCATIONAL OPERATIONS</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted General funds £'000</b>	<b>Restricted Fixed asset Funds £'000</b>	<b>18 month total £'000</b>
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG) (note 2)	-	6,628	-	6,628
Other DfE/EFA grants	-	19	194	213
	-	6,647	194	6,841
<b>Other Government grants</b>				
Local authority grants	-	13	-	13
Special education projects	-	66	-	66
	-	79	-	79
<b>Other Academy Educational Funding</b>				
Other Funding	2	211	45	258
	2	6,937	239	7,178
<b>7. RESOURCES EXPENDED</b>	<b>Staff costs £'000</b>	<b>Non Pay Expenditure Premises £'000</b>	<b>Other £'000</b>	<b>18 month Total 2012 £'000</b>
Costs of generating voluntary income	16	4	3	23
School's educational operations				
Direct costs	4,743	406	1,107	6,256
Allocated support costs	770	327	292	1,389
	5,513	733	1,399	7,645
Governance costs including allocated support costs	19	4	20	43
	5,548	741	1,422	7,711
<b>Incoming/outgoing resources for the year include.</b>				<b>2012 £'000</b>
Operating leases				42
Fees payable to auditor - audit				9
- other services				3

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2012

8. CHARITABLE ACTIVITIES - School's educational operations	Unrestricted Funds £'000	Restricted Funds £'000	18 month Total 2012 £'000
<b>Direct costs</b>			
Teaching and educational support staff costs	9	4,734	4,743
Depreciation	-	38	38
Educational supplies	14	342	356
Examination fees	-	205	205
Staff development	-	24	24
Educational consultancy	13	38	51
School trips	-	329	329
Premises costs	63	305	368
Other direct costs	13	129	142
	<u>112</u>	<u>6,144</u>	<u>6,256</u>
<b>Allocation support costs</b>			
Support staff costs	170	600	770
Depreciation	-	9	9
Recruitment and support	-	50	50
Maintenance of premises and equipment	-	102	102
Cleaning	-	106	106
Rent and rates	-	78	78
Insurance	-	72	72
Security and transport	-	11	11
Catering	116	21	137
Bank interest and charges	2	2	4
Other support costs	8	42	50
	<u>296</u>	<u>1,093</u>	<u>1,389</u>
	<u>408</u>	<u>7,237</u>	<u>7,645</u>
<b>9. GOVERNANCE COSTS</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>18 month Total 2012 £'000</b>
Legal and professional fees	-	4	4
Auditor's remuneration			
- audit of financial statements	-	9	9
- Responsible officer visits	-	2	2
- Other audit/accounting fees	-	1	1
Support staff costs	-	19	19
Other governance costs	-	8	8
Governors reimbursed expenses	-	-	-
	<u>-</u>	<u>43</u>	<u>43</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2012

10. STAFF COSTS

18 month  
Total 2012  
£'000

Staff costs during the period were

Wages and salaries

4,480

Social Security costs

364

Pensions costs

677

5,521

Supply teacher costs

27

Compensation payments

-

5,548

The average number of persons (including senior management team) employed by the School during the period expressed as full time equivalents was as follows

2012  
No.

Charitable activities

Teachers

64

Administration and support

34

Management

7

105

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

£60,001 - £70,000

3

£100,001 - £110,000

1

All of the above employees participated in the Teachers' Pension Scheme. During the period since the School became an academy (14 months to 31 August 2012), pension contributions for these staff amounted to £49,690

11. GOVERNORS' REMUNERATION AND EXPENSES

Headteacher and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and Staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the School in respect of their role as Governors.

During the period ended 31 August 2012, no travel and subsistence expenses were reimbursed to Governors. Other related party transactions involving the Governors are set out in note 27.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2012

12. GOVERNORS' AND OFFICERS INSURANCE

In accordance with normal commercial practice the Company has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £4,000,000 on any one claim and the cost for the year ended 31 August 2012 was £1,430.

13. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £'000	Furniture And Equipment £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>					
At 1 March 2011	-	-	-	-	-
Additions	743	22	29	15	809
	<u>743</u>	<u>22</u>	<u>29</u>	<u>15</u>	<u>809</u>
At 31 August 2012	743	22	29	15	809
	<u>743</u>	<u>22</u>	<u>29</u>	<u>15</u>	<u>809</u>
<b>Depreciation</b>					
At 1 March 2011	-	-	-	-	-
Charged in year	42	3	-	2	47
	<u>42</u>	<u>3</u>	<u>-</u>	<u>2</u>	<u>47</u>
At 31 August 2012	42	3	-	2	47
	<u>42</u>	<u>3</u>	<u>-</u>	<u>2</u>	<u>47</u>
<b>Net Book Value</b>					
At 31 August 2012	701	19	29	13	762
	<u>701</u>	<u>19</u>	<u>29</u>	<u>13</u>	<u>762</u>

<b>14. STOCK</b>	<b>2012 £'000</b>
Catering	4
	<u>4</u>

<b>15. DEBTORS</b>	<b>2012 £'000</b>
Trade debtors	5
Other debtors	92
VAT debtor	43
Prepayments and accrued income	128
	<u>268</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## FOR THE PERIOD ENDED 31 AUGUST 2012

<b>16</b>	<b>CREDITORS: amounts falling due within one year</b>	<b>2012 £'000</b>
	Trade creditors	153
	PAYE and NIC creditor	97
	Other creditors	109
	Accruals and deferred income	273
		<u>632</u>
	<b>Deferred income</b>	
	Resources deferred in the year	40
	Deferred income at 31 August 2012	<u>40</u>

At the balance sheet date the Company was holding grant income received in advance from the EFA towards the cost of insurance and the 2012-2013 bursary fund

<b>17. FUNDS</b>	<b>Balance at 1 March 2011 £'000</b>	<b>Incoming resources £'000</b>	<b>Resources expended £'000</b>	<b>Gains, Losses and transfers £'000</b>	<b>Balance at 31 August 2012 £'000</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	6,628	(6,491)	(114)	23
Other DfE/EFA grants	-	19	(19)	-	-
Other grants	-	79	(70)	-	9
Other funding	-	211	(211)	-	-
Voluntary income	-	27	(109)	-	(82)
Activities for generating funds	-	339	(324)	-	15
Transfer on conversion to academy	-	-	-	89	89
Pension scheme deficit	-	-	(9)	(1,313)	(1,322)
	<u>-</u>	<u>7,303</u>	<u>(7,233)</u>	<u>(1,338)</u>	<u>(1,268)</u>
<b>Restricted fixed assets funds</b>					
DfE/EFA capital grants	-	194	(1)	-	193
Other capital grants	-	45	(8)	-	37
Voluntary Income	-	405	(36)	-	369
Transfer on conversion to academy	-	-	-	12	12
Capital expenditure from GAG	-	-	-	114	114
Capital expenditure from other fund	-	-	(2)	13	11
	<u>-</u>	<u>644</u>	<u>(47)</u>	<u>139</u>	<u>736</u>
<b>Total restricted funds</b>	<u>-</u>	<u>7,947</u>	<u>(7,280)</u>	<u>(1,199)</u>	<u>(532)</u>
<b>Unrestricted funds</b>					
Unrestricted funds	-	494	(431)	20	83
<b>Total funds</b>	<u>-</u>	<u>8,441</u>	<u>(7,711)</u>	<u>(1,179)</u>	<u>(449)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2012

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2012 are represented by

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed assets Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	762	762
Current assets	94	675	(26)	743
Current liabilities	(11)	(621)	-	(632)
Pension scheme deficit	-	(1,322)	-	(1,322)
<b>Total net assets</b>	<b>83</b>	<b>(1,268)</b>	<b>736</b>	<b>(449)</b>

19. CAPITAL COMMITMENTS

2012  
£'000

Contracted for, but not provided in the financial statements	38
Authorised but not yet contracted for	22

20. FINANCIAL COMMITMENTS

Operating leases

At 31 August 2012 the School had annual commitments under non-cancellable operating leases as follows

	2012 £'000
Other	
Expiring within one year	1
Expiring within two and five years inclusive	11
	<b>12</b>



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2012

<b>21. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			<b>2012 £'000</b>
Net income			730
Depreciation (note 13)			47
Capital grants from DfE and other capital income			(644)
Interest receivable(note 5)			(1)
(Increase) in stocks			(4)
(Increase) in debtors			(268)
Increase in creditors			539
Pension net operating charge			215
Contributions to defined benefit pension scheme			(206)
<b>Net cash inflow from operating activities</b>			<b>408</b>
<b>22. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			<b>2012 £'000</b>
Interest received			1
<b>Net cash inflow from returns on investment and servicing of finance</b>			<b>1</b>
<b>23. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			<b>2012 £'000</b>
Purchase of tangible fixed assets			(797)
Capital grants from DfE/EFA			239
Capital funding received from other sources			405
Receipts from sale of tangible fixed assets			-
<b>Net cash outflow from capital expenditure and financial investment</b>			<b>(153)</b>
<b>24. ANALYSIS OF CHANGES IN NET FUNDS</b>	<b>At 1 March 2011 £'000</b>	<b>Cash flows £'000</b>	<b>At 31 August 2012 £'000</b>
Cash in hand and at bank	-	471	471
<b>25. MEMBERS' LIABILITY</b>			

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2012

**26 PENSION AND SIMILAR OBLIGATIONS**

The Company'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 the Royal Borough of Kingston upon Thames Both are defined-benefit schemes

The pension costs are assessed in accordance with advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

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

**Teachers' Pension Scheme**

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent The employee rate was 6.4% for the same period

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme The Company is unable to identify its share of the underlying assets and liabilities of the scheme

Accordingly, the Company has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme The Company has set out above the information available on the scheme and the implications for the Company in terms of the anticipated contribution rates

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds The total contribution made for the year ended 31 August 2012 was £259,800, of which employer's contributions totalled £206,587 and employees' contributions totalled £53,213 The agreed contribution rates for future years are 25 per cent for employers and 5.5-7.2 per cent for employees

**TIFFIN SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE PERIOD ENDED 31 AUGUST 2012**

**26. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

**Principal Actuarial Assumption**

**At 31 August  
2012  
£'000**

Rate of increase in salaries	4.5%
Rate of increase for pensions in payment	2.2%
Discount rate for scheme liabilities	4.1%
Inflation assumption	2.2%

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

**At 31 August  
2012  
£'000**

*Retiring today*

Males	24.2
Females	25.2

*Retiring in 20 years*

Males	26.0
Females	27.2

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

	<b>Expected return At 31 August 2012 %</b>	<b>Fair value At 31 August 2012 £'000</b>
Equities	5.4%	691
Bonds	3.8%	136
Property	3.7%	36
Cash	2.8%	45
<b>Total market value of assets</b>		<b>908</b>
Present value of scheme liabilities		
- Funded		(2,230)
<b>Surplus/(deficit) in the scheme</b>		<b>(1,322)</b>

The actual return on scheme assets was £3,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2012

26. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities	2012 £'000
Current service cost	166
Finance cost	49
Total operating charge	<u>215</u>
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	62
Interest on pension liabilities	(111)
Pension finance income/(costs)	<u>(49)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £351,000 loss.

Movements in the present value of defined benefit obligations were as follows	2012 £'000
At 1 July 2011	1,605
Current service cost	166
Interest cost	111
Employee contributions	57
Actuarial (gain)/loss	291
At 31 August	<u>2,230</u>

Movements in the fair value of academy's share of scheme assets	2012 £'000
At 1 July 2011	643
Expected return on assets	62
Actuarial gain/(loss)	(60)
Employer contributions	206
Employee contributions	57
At 31 August	<u>908</u>

The estimated value of employer contributions for the year ended 31 August 2013 is £179,000.

## **TIFFIN SCHOOL**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **FOR THE PERIOD ENDED 31 AUGUST 2012**

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#### **27. RELATED PARTY TRANSACTIONS**

##### **Tiffin School Foundation**

The Tiffin School Foundation is constituted under the terms of a scheme, which was approved by the Charity Commissioners for England and Wales and sealed on 14 September 1978, and is registered with the Charities Commission number 312997. The object of the Foundation is for the provision and conduct of a day school for boys. Tiffin School is that school and under the terms of the scheme the land and buildings at the school site in Kingston upon Thames are vested in the Foundation Trustees. The School operates under the name Tiffin School on these premises in compliance with the terms of a 'Supplemental Agreement' between the Tiffin School Foundation and the Secretary of State for Education.

Trustees of the Tiffin School Foundation represent a majority of the governing body of the academy trust and the articles of association of the Academy Trust Company ensure that this majority is maintained. Governors/directors of the School that served during the period who were also trustees of the Tiffin School Foundation were as follows:

P Phillips, R Bruce, J Hasler-Winter, J Heath, J Lulham, G Pavey, S Thomas, E Trump, J Turner, J Venables, P Wardley

During the period ending 31 August 2012 the School received donations from the Tiffin School Foundation amounting to £49,542. These donations contributed towards the cost of maintaining and improving the premises and facilities for the benefit of Tiffin School. The land and buildings occupied by the School remain under the ownership of the Tiffin School Foundation, which has granted a right of use to the School under a licence. Accordingly, these assets have been excluded from the School's accounts.

##### **Tiffinian Limited**

Tiffinian Limited is a charitable company limited by guarantee, incorporated on 18 May 1976 (company number 01259497) and registered as a charity on 16 June 1976 (charity number 273467). The nature of the charity's work revolves around the School environment and as a result, the trustees have a Tiffinian background (current or former staff/parents, governors or Old Boys). Tiffinian Limited collects and administers voluntary contributions from parents towards the Tiffin Education Fund that supports the activities of Tiffin School.

Trustees of Tiffinian Limited that also served as governors/directors of the School during the year were as follows:

P Phillips, J Turner, P Wardley

Trustees of Tiffinian Limited who were also employees of the academy trust during the year were as follows:

H Clarke (Headteacher), E Barrett (Deputy Head), M Gascoigne (Deputy Head), J King (Premises Consultant)

During the period ending 31 August 2012 the School received funding from Tiffinian Limited amounting to £430,840 of which £325,590 contributed towards the capital cost of the all-weather multi use games area and cricket nets, which is available for student and community use.

## **TIFFIN SCHOOL**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **FOR THE PERIOD ENDED 31 AUGUST 2012**

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#### **27. RELATED PARTY TRANSACTIONS (continued)**

##### **Elmfield Enterprises Limited**

Elmfield Enterprises Limited (a company registered in England and Wales number 02842297) is the wholly owned trading subsidiary of Tiffinian Limited. The principal activity of the company is the operation of the school shop at Tiffin School.

Directors of Elmfield Enterprises that also served as governors/directors of the School during the year were as follows:

P Phillips

Directors of Elmfield Enterprises who were also employees of the School during the year were as follows:

H Clarke (Headteacher), E Barrett (Deputy Head), M Gascoigne (Deputy Head), J King (Premises Consultant)

During the period ending 31 August 2012 the School purchased goods from Elmfield Enterprises Limited amounting to £18,574.

##### **Canbury Boathouse Limited**

Canbury Boathouse Limited is a company registered in England and Wales (number 00815108) whose principal activity is to maintain the Canbury Boathouse in Kingston upon Thames. Tiffin School makes use of Canbury Boathouse under a licence from the company for the purposes of providing rowing activities to the students.

Directors of Canbury Boathouse Limited who were also employees of the School during the year were as follows:

H Clarke (Headteacher), J King (Premises Consultant)

During the period ending 31 August 2012 the School paid licence fees to Canbury Boathouse Limited amounting to £2,174.

#### **28. CONVERSION TO AN ACADEMY TRUST**

On 1 July 2011 Tiffin School, a school with voluntary aided status maintained by the Royal Borough of Kingston Upon Thames converted to academy trust status under the Academies Act 2010 and all of the operations and assets and liabilities were transferred to Tiffin School Academy Trust (known as Tiffin School) from the Local Authority for £Nil consideration. This transfer excluded the land and buildings as these were owned by the Tiffin School Foundation (see note 27).

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 AUGUST 2012

28. CONVERSION TO AN ACADEMY TRUST (continued)

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted Funds £'000	Restricted General funds £'000	Restricted Fixed asset Funds £'000	Total funds £'000
Surplus on local authority funds	-	-	12	12
Surplus on school funds	33	89	-	122
Deficit on defined benefit pension scheme as at 1 July 2011	-	(962)	-	(962)
<b>Net assets</b>	<u>33</u>	<u>(873)</u>	<u>12</u>	<u>(828)</u>