

**TIFFIN SCHOOL**  
**A company limited by guarantee and an exempt charity**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**

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

MONDAY



\*A6L2O2PM\*

A22

11/12/2017

#96

COMPANIES HOUSE

**TIFFIN SCHOOL  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2017**

---

<b>CONTENTS</b>	<b>Page</b>
Reference and Administrative Details	1
Governors' Report	3
Governance Statement	19
Statement on Regularity, Propriety and Compliance	24
Statement of Governors' Responsibilities	25
Independent Auditors' Reports	26
Statement of Financial Activities Incorporating Income and Expenditure Account	30
Balance Sheet	31
Statement of Cash Flows	32
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	33
Other Notes to the Financial Statements	38

**TIFFIN SCHOOL  
REFERENCE AND ADMINISTRATIVE DETAILS  
YEAR ENDED 31 AUGUST 2017**

---

**Members:**

J Heath  
J Lulham  
P Phillips

**Governors, Directors and Trustees:**

P Phillips \* # (Chairman)  
J Lulham # (Vice Chairman & Chair of Audit Committee)  
R Bevan (Staff Governor) (until 28 March 2017)  
K Davis  
M Garner +  
S Goodridge \* #  
J Hasler-Winter \*  
J Heath \* # (Chair of Finance Committee)  
A Jones +  
C O'Connell (Staff Governor)  
S Satkunarajah \*  
E Trump  
J Turner  
P Wardley  
A Weymes-McElderry +

M Gascoigne (Headteacher & Accounting Officer)

\* members of the Finance Committee  
# members of the Audit Committee  
+ Parent Governor

**Company Secretary:**

J Farnham

**Senior Management Team:**

Headteacher  
Deputy Headteacher  
Assistant Headteacher  
Assistant Headteacher  
Assistant Headteacher  
Assistant Headteacher  
Finance Director

M Gascoigne  
E Barrett  
S Cathcart  
A Ingall  
H O'Sullivan  
P Rennie  
J Farnham

**TIFFIN SCHOOL**  
**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**  
**YEAR ENDED 31 AUGUST 2017**

---

**Registered Office:**

Queen Elizabeth Road  
Kingston upon Thames  
Surrey  
KT2 6RL

**Company Registration Number:**

07547311 (England and Wales)

**Independent Auditor:**

haysmacintyre  
26 Red Lion Square  
London  
WC1R 4AG

**Bankers:**

Barclays  
West London Corporate Banking Team  
Acorn House  
36-38 Park Royal Road  
London  
NW10 7JA

CCLA Investment Management Ltd  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

**Solicitors:**

Stone King  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

**TIFFIN SCHOOL**  
**GOVERNORS' REPORT**  
**YEAR ENDED 31 AUGUST 2017**

---

The Governors of Tiffin School (referred to herein as the "Company" or the "School") present their annual report together with the financial statements and auditors' reports for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report for charity purposes, and a directors' report under company law.

Tiffin School is a boys' selective state school with students aged between 11 and 19 and reported a roll of 1214 in the school census on 5 October 2017. The School is expanding to a capacity of 1340 students over a period of seven years from September 2015 by taking an additional class of entry in Year 7, as well as increased numbers into the sixth form at Year 12. The School provides a highly academic education to its students in a broad range of subjects and also offers a wide range of extracurricular and co-curricular activities, particularly in sport and the performing arts.

### **History of Tiffin School**

The School dates 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 found 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 charitable endeavor 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, which also housed Tiffin Girls School, still exists as St Joseph's RC Primary School and parts of the Fairfield are still part of the 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 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 and currently remains as one of 163 grammar schools in England.

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.

## **Structure, Governance and Management**

### **Constitution and Regulation**

The School is a company limited by guarantee and an exempt charity. The Company's Memorandum and Articles of Association (as amended on 6 June 2011, 21 November 2012 and 18 June 2014) are the primary constitutional documents and are available on the School's website. As an exempt charity, the Company is not registered with the Charity 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 and Skills Funding Agency ("ESFA").

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 funding agreement has since been amended by deeds of variation dated 15 January 2013, 19 December 2013 and 27 June 2014, details of which can be found on the School's website. The Funding Agreement requires that changes to the Articles of Association need the approval of the Secretary of State for Education and the Tiffin School Foundation. The Company is also required to observe any requirements imposed on academy schools under the Academies Financial Handbook issued annually by the ESFA.

### **Governance and Management**

The governors of the School ("Governors" and collectively "Governing Board") 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 in this report. In addition to serving on the Governing Board, Governors also serve on one or more committees covering Finance, Admissions, Audit, Curriculum & Student, Personnel, Sites & Premises and Headteacher Review, each with its own terms of reference and delegated areas of responsibility approved annually by the Governing Board. Ad hoc committees of governors are also established when needed to deal with such matters as student discipline and pay progression appeals. Overall responsibility for the conduct and financial affairs of the School rests with the Governing Board, in particular the approval of its annual budget. All Governors, however elected or appointed, have equal status and voting rights.

The Tiffin School Foundation has the right to appoint a majority of Governors to the Governing Board. The Headteacher is an ex-officio Governor with full voting rights but is not a trustee of the Foundation. The composition of the Governing Board 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 Board to the Headteacher as chief executive. The Headteacher appoints the Senior Management Team to assist in the day to day management of the School.

The Headteacher is also appointed by the Governing Board as Accounting Officer and is thereby held responsible to the Governing Board 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 financial report regarding governance, regularity, propriety and compliance.

The Governing Board has appointed a Finance Director to undertake the role of Chief Financial Officer, as defined in the Academies Financial Handbook, to manage the day to day financial affairs of the School under the supervision of the Headteacher. The Finance Director concurrently serves as the Company Secretary.

**GOVERNORS' REPORT (continued)**  
**YEAR ENDED 31 AUGUST 2017**

---

**Members and Members' Liability**

The Members of the Company shall comprise the signatories to the Memorandum and Articles of Association, up to three persons appointed by the Foundation, under certain circumstances one person appointed by the Secretary of State, the Chairman of Governors and any person appointed by the other Members.

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 or risk protection 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.

During the financial year, Governors' liability was provided under the ESFA Risk Protection Arrangement. The limit of indemnity thereunder was £10 million.

**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 lies. The Articles of Association of the Company allow for the Foundation to maintain an overall majority of Governors on the Governing Board. For further information on the Foundation refer to the section on Related Parties on page 8 and note 25 to the accounts.

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 of Foundation Governors of at least one.
- The Governing Board may appoint Staff Governors through such process as they may determine, 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 Board shall appoint the Local Community Governor.
- The Headteacher shall be treated for all purposes as being an ex officio Governor with full voting rights.
- A minimum of two and up to a maximum of three Parent Governors shall be elected by parents of registered pupils at the School, or in certain cases appointed by the Governing Board. A Parent Governor must be a parent of a pupil at the School at the time they are elected.

- 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 School as a Co-opted Governor if thereby the number of Governors who are employees of the School would exceed one third of the total number of Governors (including the Headteacher).
- Under the terms of the Articles of Association the Secretary of State has wide powers to appoint and remove Governors in certain adverse circumstances.

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

When vacancies occur on the Governing Board 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 Board to fulfil any particular need or skills requirement.

Staff Governors shall be elected by a secret ballot of all staff employed under a permanent 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 Board. 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. The Governing Board 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 Board direct otherwise from time to time.

In appointing a Parent Governor the Governing Board 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 Board 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, 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 Board 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, 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's secure Google Drive portal, where they can access all meeting agendas, minutes of meetings and policy documents.

### **Organisational Structure**

In addition to the full Governing Board there are sub committees, all of which have delegated responsibilities to make decisions in accordance with their terms of reference. The committees are Finance, Admissions, Audit, Curriculum & Student, Personnel, Sites & Premises and Headteacher's Review. There is also a meeting involving the Chair, Vice Chair and Chairs of each Committee at the start of the Spring and Summer terms. There is also a Health and Safety panel that meets regularly and which some Governors attend. Committees meet a minimum of once each term and reports from each committee are tabled at the next full Governing Board meeting that follows. There are also ad hoc committees called when needed to cover such matters as student discipline and pay progression appeals. The terms of reference for each committee and any of its related ad hoc committees are decided at the first meeting of the academic year of that committee and are then ratified and approved at the next full Governing Board meeting. Any decisions taken by a committee which have a financial impact outside the approved budget 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 Board 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 Board 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 Governing Board has appointed the Finance Director to manage the day to day financial affairs of the School under the supervision of the Headteacher. All proposals that have a financial aspect and which are outside the approved budget must come before the Finance Committee and/or Governing Board depending on their nature and the amount involved. In times where a speedy decision must be taken, an ad hoc Governors' group, or in an emergency or confidential situation the Chairman of Governors (or in his absence the Vice Chair), will be consulted, with their decision ratified by the relevant committee or Governing Board at a later date.

Major decisions regarding the School and in particular the setting of major policies and the approval of the annual budget are reserved for the full Governing Board.

### **Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The rules for determining the pay of key management personnel (as listed on the Reference and Administrative details page) are set out in the School's Pay Policy, which is reviewed and updated annually. The remuneration of key management personnel is determined through a process of performance management, which requires that there will be no progression unless there has been sustained high quality of performance. The decision on whether or not to award pay progression must be related to the individual's performance, as assessed through the school's appraisal arrangements.

The Personnel Committee determines the pay ranges for key management personnel. When determining an appropriate pay range, it takes into account all of the permanent responsibilities of the role, any challenges that are specific to the role, and all other relevant considerations. In the case of a new appointment, it may consider whether the requirements of the post and the extent to which the preferred candidate meets those requirements, are such that it would be appropriate to set the starting salary above the minimum of that range. The Personnel Committee will ensure that where possible there is appropriate scope within the range to allow for performance related progress over time.

The Governing Board has established a pay range for the Headteacher in accordance with the most recent guidance of the School Teachers' Pay and Conditions Document ('STPCD'). The Headteacher pay range relevant to Tiffin School under STPCD is Group 7. Under the School's pay policy the Headteacher's pay range may exceed the maximum of the Headteacher Group where the Personnel Committee determines that circumstances specific to the role or candidate warrant a higher than normal payment.

The maximum of the Headteacher's pay range will not exceed the maximum of the Headteacher Group by more than 25% other than in exceptional circumstances; in such circumstances, the Governing Board must seek external independent advice before providing such agreement and support its decision with a business case. The pay range for other management team posts will only overlap the Headteacher's pay range in exceptional circumstances. All senior management personnel have the right of appeal to a Governor Appeal Panel in certain circumstances.

An annual performance review of the Headteacher is undertaken by the Headteacher's Review Committee, a sub-committee of the Governing Board. The recommendations of the sub committee must be reviewed and ratified by the Personnel Committee. Other members of the management team are subject to annual performance review by the Headteacher. The Headteacher prepares a report on the objectives and appraisal of the other members of the management team and a recommendation in relation to pay. Again this recommendation must be ratified by the Personnel Committee. In the event that pay recommendations exceed budget the Personnel Committee must refer the decision to the Finance Committee for approval.

**Connected Organisations, including Related Party Relationships**

The School is not part of a wider federation or network of schools. The School 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 Charity 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 School. The School is not required to pay rent or a license fee to the Foundation for the use of its land and buildings.

Since September 2012 the Foundation has assumed responsibility for the custody of all new parental voluntary contributions to the Tiffin Education Fund, a fund that supports wider opportunities and capital developments at the School. These funds are applied under the direction of the Foundation Trustees, following discussions with the School's Governing Board and the Senior Management Team.

Trustees of the Foundation represent a majority of the Governing Board 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, S Goodridge, J Hasler-Winter, J Heath, S Satkunarajah, E Trump, J Turner and P Wardley.

The Foundation receives income from its investments and from the rental of its property 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 (charity number 273467). Its trustees include alumni of the School, Governors of the School, the Headteacher, and past and present teachers of the School. Tiffinian Limited supports 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 as well as the funding of capital expenditure. Tiffinian Limited receives and holds custody of parental contributions made by parents towards the Tiffin Education Fund that were established prior to September 2012. As a result of the conversion of the School to academy status, the Governing Board decided that custody of donations made by parents of boys joining the School from 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 25.

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 also listed in the Accounts at Note 25.

**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 (charity number 1125708). 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 Grists 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 Grists known as the Harper Pavilion and portions of the playing area for the sporting activities of its students. A lease agreed between the School and TAL ensures the continued use of the grounds by the School and sets out the respective responsibilities. Both parties are in the process of extending the existing lease term.

The Governing Board 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 and Members of CBH that were also employees of the School during the year are shown in Note 25 to the Accounts.

### Objectives and Activities

#### **Objects and Aims**

The objects of the Company are contained in the Company's Articles of Association and the Academy Funding Agreement (both as amended).

The principal 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'. In June 2014 the Articles of Association were amended, with the approval of the Secretary of State, the Charity Commission and the Tiffin School Foundation, in order to widen these objectives to include 'the promotion, for the benefit of the inhabitants of Kingston-Upon-Thames and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants'.

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 and co-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.

The School's Vision Statement is "*Inspiring students to Engage, Aspire and Excel*".

To prepare our students for their future lives in the modern world, the School aims to:

- Nurture a love of learning and pursuit of academic excellence & scholarship
- Develop independence, adaptability, determination and confidence
- Stimulate curiosity, open-mindedness and creativity
- Foster empathy, generosity and respect for others
- Cultivate participation, commitment, leadership and responsibility

#### **Objectives, Strategies and Activities**

The Governors established their aims for 2016/17 in their School Improvement Plan. A summary of the main aims and outcomes and exam results are summarised in the Strategic Report beginning on page 11. The School Improvement Plan for 2017/18 will be finalised by the Governing Board in November 2017.

### **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 in terms of staff time 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.

### **Strategic Report**

#### **Achievements and Performance**

The School has continued to develop its reputation for academic excellence in boys' education. It offers an increasing range of co-curricular activities that richly endow the educational programme for students at Tiffin and it has strengthened further its role as a leading School, working in partnership and collaboration with a range of other schools. It is successfully fulfilling its vision to inspire students to engage, aspire and excel.

#### **Admissions**

The School was heavily oversubscribed for its Year 7 intake for the 2016/17 academic year, with over 1600 boys taking our Stage 1 admission test, for the Planned Admission Number of 180 places. The strength and popularity of the School resulted in permission being granted for the growth of the School by introducing a sixth form of entry at Year 7 in September 2015, thus 2016/17 was the second year with a larger cohort of 180 students admitted. This expansion has proceeded very well, and we welcomed the third cohort of 180 in September 2017. Similarly, admission to the Sixth Form saw over 300 applications from external students, of which over 70 joined the Year 12 group that started in September 2017. The School has the highest number of students on record, reflecting the success and popularity of Tiffin. This number will continue to grow as the additional forms of entry progress through the School in coming years.

#### **Examination Results**

The achievements of the students in 2016-17 were again outstanding at both GCSE and A level.

#### **GCSE Results:**

The summer of 2017 continued to see volatility in GCSE results nationally, as well as the first examination in the new GCSEs in English and Maths, making comparisons with previous years more difficult. Nevertheless, our analysis of final results shows that 78.5% of grades were A\* and A, or new grades 7-9, an excellent result that is consistent with previous years. The Governing Board considered these results outstanding. Our students achieved almost 50% A\* grades alone, placing us among the very top state schools according to the national press in their August publications, with 92% of the cohort achieving the E Bac. Qualification. Considering the very limited number of students nationwide who achieved the new grade 9, the numbers achieving these grades at Tiffin was most impressive, with 19 boys achieving the feat of gaining grade 9 in all three subjects of Maths, English Language and English Literature, a result only achieved by 2000 students nationwide. In previous years, there had been many re-marks of papers at GCSE for Tiffin students that significantly changed the overall statistics for final GCSE results by October. Following Ofqual's changes, fewer re-marks were allowed, yet we have still seen a significant number in 2017.

The progress from KS2 to KS4 of the School's students in English and Maths is outstanding, and significantly better than national averages. In March 2017, Nick Gibb, Minister of State for School Standards, commended Tiffin for being in the top 5% of schools in 2016 in terms of progress between KS2 and KS4. Using the new Government measure for GCSE, our Progress 8 provisional score for 2017 is +0.79, exceeding the excellent score of +0.65 from the previous year. This officially places the School in the highest of five government categories: 'well above average'.

**A Level Results:**

At A Level 86% of grades were A\*/A/B, another outstanding result, consistent with previous years. 84 students gained three A grades or better and 17 students achieved three A\* grades or better. 14 students met their grade offer for places at either Oxford or Cambridge University. The great majority of students successfully achieved places at Russell Group universities, with others going to similar top universities, clearly illustrating the continuing outstanding academic performance of the School. We have been commended as one of the top 100 STEM schools in the country, for our encouragement of STEM subjects at A Level, but in reality, our students study a wide range of subjects, illustrating the broad education that Tiffin encourages.

**Retention of students**

Tiffin has excellent retention of students; few students leave the School at the end of Year 11 or during the Sixth Form.

**The Governors' School Improvement Plan 2016/2017**

The Governors established the School's aims for 2016/17 in their School Improvement Plan. The focus areas covered the breadth of school activity and were categorised into student focused, curriculum focused, IT, finance & budgeting, staffing and premises development. The Governors consider that significant progress was achieved in each focus area with the Senior Management Team targeting particular areas for further review and development.

The most significant change to the School has been taking place with the construction of our new building, due to open in January 2018, which formed a major part of the Improvement Plan for the year 2016-17. Having previously been disappointed by failed bids for funding for a new building to replace the dilapidated dining hall, the Governors were delighted that the school succeeded with a capital funding bid through the ESFA Condition Improvement Fund in 2016. The capital grant of £2.8 million, together with a significant contribution of up to £0.7 million from parents, alumni and other supporters, will deliver five new classrooms together with a new kitchen/dining facility for students that will be vital in the continued expansion of the School. The building is broadly speaking on schedule and cost, and the School has coped very well indeed with the disruption of a construction site. The School continues to bid for further funds to improve the buildings and learning environment, and has commissioned a new master plan for the development of the premises in order to sustain the expansion. In 2017, we also successfully bid for funds to repair the Main Building roof, and to fit a new fire alarm system. With other improvements such as a new electronic card entry system, making our site more secure, and further improvements to our sports facilities, there have been significant developments to our premises during the year, which we aim to continue in future years.

Some of these developments have only been possible because of fundraising from parents and alumni and donations from the Tiffin School Foundation and Tiffinian Limited.

Of paramount concern to the Governing Board are projected grant funding levels, as well as the increased unfunded costs being borne by schools. The School continued to experience a decline in the overall government funding rate per student and as such has had to carefully manage expenditure budgets. Exacerbating this, a further decline in per student funding was experienced due to decisions made at a local level by the London Borough of Kingston in order to move funds away from schools budgets and into High Needs provision. The School again reviewed its expenditure during 2016-17, having already instituted significant cost savings in prior years. Grant income is expected to come under further pressure over the course of the next two years in the short term and the School will continue to meet this challenge by reviewing costs, activities and income generation opportunities. The challenge for the School is to maintain its high standards and programme of wider opportunities within these funding restrictions. Further changes are expected with the introduction of the National Funding Formula for Schools and although these may be positive in due course, the School is concerned about the delay in implementation resulting in two 'soft' years of formula implementation preceding actual implementation. This delay is likely to result in the School receiving significantly less funding that it would receive had the National Funding Formula been introduced more rapidly. The Governors remain confident that the School will be able to meet these challenges.

The focus this year has very much been on the new A Levels and GCSEs introduced in certain subjects from September 2015, and examined for the first time in summer 2017. These posed significant challenges to all schools, but Tiffin was well prepared for these changes. A number of improvements were made to reflect the changing curriculum model, such as internal Year 12 exams instead of AS, and these proved to be very successful. The results from the first new A Levels and GCSEs are excellent, and the continued gradual implementation of the new exams in all subjects, will continue to form a key part of the improvement plan over the next two years.

Our co-curricular programme continued to improve during 2016-17, and in particular two new Houses were introduced from September 2016 to reflect the growing number of students and allow for greater opportunities for participation. The first year of operation of the new House system has been very successful. The commitment of the staff in putting on such a range of opportunities for our boys is immense and ensures that the School succeeds in the way that it does.

#### **Events in 2016/2017**

The School provided a wealth of opportunities to its students beyond the academic curriculum. In Music, as well as the many varied orchestral and singing performances, the School Choir gave highly acclaimed summer performances on their tour to Spain. The Children's Chorus and the Choir performed in Royal Opera House productions and at such venues as the Barbican, Royal Albert Hall and Royal Festival Hall, with, among others, the London Philharmonic Orchestra, thereby enhancing its national reputation. They also sang Evensong at Westminster Abbey. In September 2017, the choir performed with Sir Simon Rattle in his inaugural concerts following his return to the UK as the musical director of the London Symphony Orchestra. The choir once again sang as part of the BBC Proms season in summer 2017. On two occasions, the choir performed concerts for ClassicFM, including our Carol Service, which was broadcast in December 2016. The Performing Arts remain very strong, with Dance and Drama also staging many successful productions, including 'A Comedy of Errors'. The Tiffin Dance company, performed at half-time in the England Australia Rugby League match at the Olympic Park, and excelled at the London Youth Games Dance competition. Our strength in Music was also recognised with our award of the Incorporated Society of Musicians Gold Certificate in 2017.

There was a comprehensive sports fixture list throughout the year, and rugby, cricket, rowing, basketball, athletics, cross-country, badminton, tennis, and other sports continue to be very strong and played to a high level. Tiffin is delighted to host competitions for other schools such as the Judge Cup in cross-country, and the Browne Trophy for rugby. The main sports also conduct extremely successful tours, such as the rugby pre-season training camp in Sussex. In 2017, we were awarded the Cricketer Award for being one of the top 100 cricketing schools in the country. Other notable sporting successes included a very successful run in the Rosslyn Park Rugby Sevens, and being Surrey League Basketball champions.

There were a huge number of day and residential trips for students covering all areas of the wider curriculum, ranging from Geography field trips to Devon and Dorset, Language exchanges to Europe, day trips to the Imperial War Museum and to lectures and conferences on many varied topics in London. The School has conducted over 70 day trips during the year, as well as many longer trips, including those abroad. The opportunities for students were also enhanced by the large number of visitors to Tiffin, including many who come to talk about different professions as part of our careers programme. The School entered and saw success in many competitions including UKMT Maths Olympiad; Go4Set engineering competition, and the English Speaking Union Public Speaking Competition. These numerous opportunities for Tiffin students helped the School to fulfil its vision of inspiring students to Engage, Aspire, and Excel.

The School enjoys significant support from both the Tiffin School Foundation and Tiffinian Limited through parental and alumni donations to the 21<sup>st</sup> Century Building Fund, parental donations to the Tiffin Education Fund and parent groups who work to raise money for music, rugby, rowing and other extra-curricular activities offered by the School. The continued success of much that we do is dependent upon the generous support of our various stakeholders. The School continues to build and cultivate its relationships with Alumni, who have proved generous in both fundraising, legacies and in contributions to events such as the Careers Fair.

### **Going Concern**

After making appropriate enquiries, the Governing Board 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**

Income amounted to £8.8 million (2016-£7.7 million) and consisted primarily of funding received towards the School's educational operations, of which £5.6 million was General Annual Grant (GAG) funding received directly from the ESFA, with additional funding from various grants and other income. In addition, other activities contributed £0.9 million (2016-£1.0 million), with the unrestricted element largely generated from the community use of the sports centre and the School's in house catering facility (an equivalent catering cost is included under expenditure). The restricted funds element was mainly derived from contributions towards school trips, which form an integral part of both curricular and extra-curricular opportunity at the School. The School does not generate a contribution from school trips and an equivalent cost is included within expenditure under School's educational operations.

Donations and grants are important sources of revenue to the School that enable it to maintain a broad extra-curricular programme and provide essential additional capital funding. Reported under the Restricted Fixed Asset Fund is capital grant funding of £2 million, received from the ESFA towards the cost of the new dining and classroom extension and other smaller projects. This grant is being expensed as the costs are incurred to date, with a balance of £0.5 million grant funding unspent carried forward into 2017-18. Donations during the year included contributions from parental donations received via Tiffinian Limited and the Tiffin School Foundation, as well as direct contributions from Tiffinian Association Limited and the Tiffin Parents Association.

**TIFFIN SCHOOL**  
**GOVERNORS' REPORT (continued)**  
**YEAR ENDED 31 AUGUST 2017**

---

Total expenditure amounted to £9.1 million (2016-£6.9 million). Notes 6 and 7 to the accounts provide a detailed breakdown of how these costs were incurred, which in 2016-17 include significant premises improvement costs funded by ESFA grants. The resulting net expenditure before transfers for the period was £282k (2016-£763k net income).

Actuarial gains on non-teaching staff membership of the Local Government Pension Scheme amounted to £1.1 million during the period (2016-£701k losses). This gain was principally due to a reduction in actuarial assumptions regarding the future rate of increase in salaries, together with investment performance. The detailed calculations and assumptions used by the Actuary are shown in note 24 to the accounts.

The balance sheet includes £155k as the net book value of expenditure on fixed assets since conversion to Academy status in July 2011 (which excludes all expenditure on the property); net current assets, which includes the School's working capital, of £1.4 million; and the long-term pension liability valued at £1.5 million. The balance sheet total being the School's net assets of £91k.

**Key Financial Performance Indicators:**

The Finance Committee of the Governing Board regularly reviews key performance indicators and these statistics are included in the management accounts presented to the committee at each meeting. Key performance indicators, stated for the year ended 31 August 2017, were as follows:

	<b>2017</b>	<b>2016</b>
Public funded income per student:	£4,836	£4,960
Total grant income per student:	£4,898	£5,050
Teaching staff cost per student:	£3,047	£2,944
Total education cost per student:	£4,847	£4,779
Student: teacher ratio	18.6	18.6
Teaching as a % of total cost:	62.9%	61.6%
Staff costs as a % of total cost:	83.1%	82.1%

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

**Reserves Policy**

The Governors review reserves throughout the year. This review encompasses the nature of income and expenditure streams, strategic planning and risk management. The reason for holding reserves is prudent financial management, particularly at a time of funding cuts, in order to bridge the gap where grant funding is not sufficient to meet the immediate development needs of the School. In addition reserves are held to provide sufficient working capital to cover delays between spending and the receipt of income and to provide a cushion to deal with unexpected emergencies.

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 £250k to £300k, which represents between 4% and 5% of annual operating expenditure. Total reserves at the year-end (excluding the pension reserve) were £776k, of which £490k were unrestricted and £286k restricted in nature. The level of reserves available to be freely spent on School activities (GAG and unrestricted funds) was £751k. This is above the target range; however, with significant uncertainty regarding funding over the next two years during the transition to a national funding formula, together with cost increases in staffing and infrastructure, the Governors consider it prudent to hold higher reserves now in order to meet the financial challenges ahead.

The deficit on the local government pension scheme of £1.5 million (see note 24 to the accounts) is not relevant to short term funding and is therefore not considered when determining the level of reserves. Parliament has agreed, at the request of the Secretary of State for Education, that in the event of an Academy closure, outstanding Local Government Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. 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.

#### **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. Funds are placed with Barclays Treasury Deposits for terms of up to six months when cash flow projections indicate that sufficient funds are available. Interest from bank accounts is shown in note 5 to the Financial Statements. The Governors consider the return on cash investments to be sufficient given the low interest rates available during the period.

#### **Principal Risks and Uncertainties**

The Governors have assessed the major risks to which the School is exposed. 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 or equivalent cover are in place for insurable risks that also cover facilities used by the School at the Grists playing fields 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 Board on an annual basis, however risk management, 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.

The Governors consider the principal risks to which the School is exposed to be:

- Safeguarding of the School's students;

Mitigated by the implementation of safeguarding procedures including controls over employee recruitment and visitors to the School. Further managed by the oversight of a dedicated Health & Safety Committee. The School has in place policies covering health & safety and two employees are qualified with the National Examination Board in Occupational Safety and Health (NEBOSH).

- Falling government funding resulting in pressure on the School's cost base and its ability to maintain a broad programme of activities;

The School must operate within the constraints of government spending commitments and the education funding formula that results. The School has managed this risk by setting an appropriate reserves policy whilst carefully and regularly monitoring expenditure. A thorough annual budget review is undertaken, including the identification of alternative sources of funding and income generation. Longer term financial plans are monitored on an on-going basis in order to identify financial risk.

- The increasing cost of maintaining ageing premises and the related Health and Safety issues;

Mitigated by the setting of adequate responsive and planned maintenance budgets, within budgetary constraints. A long term capital plan and buildings master plan assists in identifying and prioritising premises and general school environment issues. This risk is monitored by the dedicated premises committee of the Governing Board.

- 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;

The School has a comprehensive Emergency and Business Continuity Plan that covers emergency procedures, alternative provision, recovery and management information procedures for the security and recovery of systems and data. Appropriate insurances or equivalent cover is in place, together with access to risk management advice, in to order to mitigate the impact of disaster recovery.

#### **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 wider opportunities for students that distinguish Tiffin as a School with a much broader focus than exam achievement alone. Tiffin is continually seeking to fulfil its vision to inspire students to engage, aspire and excel.

To a large extent, the short-term focus during 2017-18 will be to continue to manage the operational impact of the construction of the new dining hall and classroom extension. The construction site has resulted in a smaller recreational area for students, and a reduction in lunchtime and break time catering provision. The School will manage this and plan for the opening of the building in January 2018. The new extension will largely meet the premises needs as the School continues to expand its student numbers and the longer term strategy will focus on delivering a consistently exceptional standard of education to the students in our care.

The Governors will continue to assess the possibilities and challenges that the educational context currently presents. The Governors and Senior Management Team prepare and review a rolling 3 year strategic School Development Plan on an annual basis and the principal aims and key objectives for 2017-2018 include:

#### **Student focused:**

- Implementation of a new system of student merits and sanctions, with a focus on consistency of standards across the school
- Continue to encourage maximum participation and engagement in the enlarged House system and student participation in our wide co-curricular provision
- To increase student engagement and leadership in community service through Volunteering, charities, the prefect system and mentoring

**Teaching and Learning focused:**

- Implement a new Key Stage 5 curriculum to reflect examination and assessment changes at A level
- Monitor the impact and ensure the successful teaching of new GCSE and A Level specifications
- Monitor results in light of new Progress 8 measures and implement any necessary changes in order to ensure student progress
- Encourage the retention and recruitment of new staff through training schemes and staff development initiatives in order to address recruitment issues that are becoming more common in all schools
- Extend the use of mobile technology in the classroom, and introduce and develop the new Google VLE

**Other:**

- To work with the contractor and associated consultants to ensure the successful delivery of the new dining hall and classroom extension
- Create an improved and distinct sixth form area
- Continue to carefully monitor the financial plan due to the risk of further funding cuts and pension driven increases to staff costs
- To implement a fundraising strategy and raise stakeholder involvement in the Tiffin community to help fund capital plans and co-curricular activities of the School
- To work with neighbouring schools in order to improve the standards of education locally and to strengthen our position in order to understand and influence local developments

**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.

This Governors Report, incorporating the Strategic Report, was approved by order of the Governing Board, as the Company Directors, on 28 November 2017 and signed on its behalf by:



P P Phillips  
Chairman of Governors

**TIFFIN SCHOOL**  
**GOVERNANCE STATEMENT**  
**YEAR ENDED 31 AUGUST 2017**

---

**Scope of Responsibility**

The Governing Board acknowledges it has 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 Board 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 Funding Agreement between Tiffin School and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Governing Board 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 Board formally met 4 times during the period covered by this report. Attendance during the year at meetings of the Governing Board was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
P Phillips (Chairman)	4	4
R Bevan (until 28 March 2017)	3	3
K Davis	1	4
M Garner	4	4
S Goodridge	4	4
J Hasler-Winter	4	4
J Heath	3	4
A Jones	4	4
J Lulham	4	4
C O'Connell	4	4
S Satkunarajah	4	4
E Trump	3	4
J Turner	4	4
P Wardley	3	4
A Weymes-McElderry	3	4
M Gascoigne (Headteacher and Accounting Officer)	4	4

Changes in the composition of the Governing Board during the period are shown above.

**TIFFIN SCHOOL**  
**GOVERNANCE STATEMENT (continued)**  
**YEAR ENDED 31 AUGUST 2017**

---

In the previous reporting year, the Audit Committee requisitioned an independent review of governance, to be undertaken by Stone King. This review focussed on the impact and effectiveness of the Governing Board and the final report dated June 2016 was positive in its conclusions and identified a number of strengths in existing governance practice and the Governing Board as a whole. The report also highlighted several recommendations where consideration should be given for improvement and these were considered by the Governing Board and implemented during 2016-2017. As a follow up to this review the Audit Committee then requested that haysmacintyre undertook a review focussed on financial governance and this report was received in March 2017. Again, this report was positive in its conclusions with regards to existing financial governance within the School and also highlighted some recommendations that have been implemented.

It is the intention of the Governing Board that in future annual reviews are undertaken on specific areas of governance on a rolling basis, either using the skill set currently within the Governing Board or with suitably qualified external consultants.

The Finance Committee is a sub committee of the main Governing Board. 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 financial systems and controls, adherence to financial regulations and insurance. Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
J Heath (Chairman)	3	3
P Phillips	1	3
Goodridge	3	3
J Hasler-Winter	2	3
S Satkunarajah	3	3
M Gascoigne (Headteacher and Accounting Officer)	3	3

The Audit Committee is a separate sub committee of the main Governing Board. Its terms of reference cover establishing a programme of work to review the adequacy of the internal financial controls of the School, oversight of audit arrangements including appointment of auditors and their fees, the review of audit management letters and a wide ranging remit, under the direction of the Governing Board, to review internal audit, risk management, legal matters, and oversee special investigations, financial or otherwise. During the year the Audit committee was responsible for arranging and overseeing the financial governance review undertaken by haysmacintyre. The Chair of the Audit Committee also undertook a targeted review of the financial controls in place at the School.

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
J Lulham (Chairman)	3	3
S Goodridge	3	3
J Heath	3	3
P Phillips	2	3
M Gascoigne (Headteacher and Accounting Officer)	2	3

#### **Review of Value for Money**

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

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

#### **Raising student attainment:**

Examination results and the measurement of individual student progress throughout their schooling are a primary focus of operations within a context of the efficient and effective use of resources. As a selective state school, with a particular ethos that focusses on a challenging curriculum and encourages participation in a diverse range of wider opportunities, the balance between the benefits afforded to students and the cost of provision is closely managed. Underpinning the delivery of a successful academic educational programme is a staffing establishment that is highly qualified, experienced and motivated and that aims to continually improve standards. Effectiveness is monitored through internal lesson observations, monitoring the progress of individual student learners and a robust system of staff appraisal.

The School demonstrates 'value for money' by benchmarking examination results data against state schools of a similar level of academic achievement. Benchmarking against such providers is extended to staff costs per student, teacher: student ratios, staff skill mix and the percentage of funding expended on staff costs.

#### **Financial governance and oversight:**

Monthly management accounts are produced that include financial performance against budget, forecast results, a cash flow statement, benchmarking and statistical data. The reporting pack is discussed in detail at Finance Committee meetings and the accounts are distributed to committee members monthly and reviewed by the Senior Management Team. During the year priorities are reviewed and resources reallocated if necessary. Longer term financial forecasts have been prepared to 2022-2023, given that the School began expanding with an additional form of entry at year 7 in September 2015.

#### **Purchasing:**

The School operates in accordance with the Academies Financial Handbook with regard to the proper and regular use of public funds. The School's financial procedures manual clearly states the parameters for budget holders, together with delegated procedures for approving expenditure and entering into contracts. A register of contracts is maintained in order to ensure that consideration of renewal terms and the opportunity to assess alternative providers is undertaken in advance of renewal deadlines. The School is a registered member of a number of public sector purchasing consortia.

#### **Income generation:**

Tiffin School seeks to maximise the use of its facilities to generate income in support of its educational objectives. The School operates an extremely successful sports centre that is available to the local community for hire and the income generated is controlled and monitored through the school's accounting function.

Reviewing controls and managing risks:

The Audit Committee has a wide ranging remit to review internal audit, financial risk and oversee special investigations whether of a financial nature or otherwise. Under the direction of the Audit Committee, the Chair of the Committee has undertaken targeted testing of financial controls.

The School maintains a strategic risk register that is reviewed and updated on an on-going basis, as well as being subject to more formal review by each sub-committee of the Governing Board at least once a year.

#### **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 the School's 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 was in place at Tiffin School for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Governing Board 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 Board is of the view that there is a formal on-going process for identifying, evaluating and managing the School's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Board.

#### **The Risk and Control Framework**

The School'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 Board;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The School has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Audit Committee has requested the Chairman of the Audit Committee, a retired qualified accountant, to undertake periodic reviews that have included targeted transaction testing of those areas with the highest financial risk, such as payroll and purchasing.

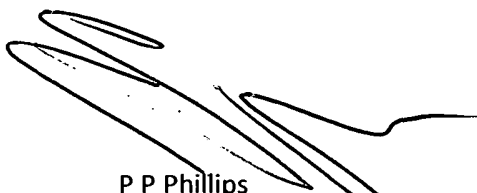
**Review of Effectiveness**

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

- attendance and reporting at Audit Committee meetings;
- the work of the external Auditor;
- 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 Board on 28 November 2017 and signed on its behalf by:



P P Phillips  
Chairman of Governors



M D Gascoigne  
Accounting Officer

**TIFFIN SCHOOL**  
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**YEAR ENDED 31 AUGUST 2017**

---

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

I confirm that I and the School's Governing Board 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 Funding Agreement and the Academies Financial Handbook.

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



M D Gascoigne  
Accounting Officer

28 November 2017

**TIFFIN SCHOOL**  
**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**YEAR ENDED 31 AUGUST 2017**

---

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 Direction published 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 ESFA/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 Board on 28 November 2017 and signed on its behalf by:



P P Phillips  
Chairman of Governors

### **Opinion on financial statements**

We have audited the financial statements of Tiffin School for the year ended 31 August 2017 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), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2017 and of net movement in funds, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015 to 2016 issued by the ESFA.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

### **Basis for opinion**

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

### **Responsibilities of Governors for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TIFFIN SCHOOL (continued)

---

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Conclusions relating to going concern

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

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

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

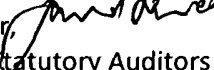
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Annual Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

### 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:

- the information given in the Governors' report including the incorporated strategic report for the year to 31 August 2017 is consistent with the financial statements; or
- 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

26 Red Lion Square  
London  
WC1R 4AG

.....7 December 2017

## **INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE GOVERNING BOARD OF TIFFIN SCHOOL AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 30 September 2015 and further to the requirements of the Education Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Company during the period 1 September 2016 to 31 August 2017 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 Board and the ESFA in accordance with the terms of our engagement letter. Our review work has been undertaken so that we might state to the Governing Board and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Board and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of the Accounting Officer and Reporting Accountants**

The accounting officer is responsible, under the requirements of Tiffin School's funding agreement with the Secretary of State for Education dated 30 June 2011 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE GOVERNING BOARD OF  
TIFFIN SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

---

The work undertaken to draw to our conclusion includes:

- Assessment of the control environment operated by the Academy;
- Walkthrough testing of controls to ensure operational effectiveness;
- Substantive testing on a sample of expenditure items, ensuring expenditure is in accordance with the funding agreement and appropriately authorised;
- Detailed testing on a selection of credit card statements and expense claims;
- Review of minutes, bank certificates and related party declarations provided by Governors and senior management.

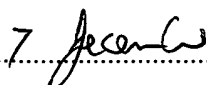
**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



haysmacintyre

26 Red Lion Square  
London  
WC1R 4AG

7  2017

**TIFFIN SCHOOL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2017 £'000	Restated Total 2016 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	2	4	110	2,043	2,157	994
<b>Charitable activities</b>						
Funding for the School's educational operations	3	-	5,677	-	5,677	5,616
<b>Other trading activities</b>	4	676	274	-	950	1,044
<b>Investments</b>	5	4	-	-	4	6
<b>Total Income</b>		<u>684</u>	<u>6,061</u>	<u>2,043</u>	<u>8,788</u>	<u>7,660</u>
<b>Expenditure on:</b>						
Raising funds	6	21	-	-	21	23
<b>Charitable Activities</b>						
School's educational operations	7	565	6,278	2,206	9,049	6,874
<b>Total Expenditure</b>		<u>586</u>	<u>6,278</u>	<u>2,206</u>	<u>9,070</u>	<u>6,897</u>
<b>Net Income/(Expenditure)</b>		<u>98</u>	<u>(217)</u>	<u>(163)</u>	<u>(282)</u>	<u>763</u>
Transfers between funds	15	-	(52)	52	-	-
<b>Net income for the period</b>		<u>98</u>	<u>(269)</u>	<u>(111)</u>	<u>(282)</u>	<u>763</u>
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	15,24	-	1,068	-	1,068	(701)
<b>Net movement in funds</b>		<u>98</u>	<u>799</u>	<u>(111)</u>	<u>786</u>	<u>62</u>
<b>Reconciliation of funds</b>						
Total funds brought forward	15	<u>392</u>	<u>(2,015)</u>	<u>928</u>	<u>(695)</u>	<u>(757)</u>
<b>Total funds carried forward</b>		<u><u>490</u></u>	<u><u>(1,216)</u></u>	<u><u>817</u></u>	<u><u>91</u></u>	<u><u>(695)</u></u>

All of the School's activities are derived from continuing operations during the year. A statement of recognised gains and losses is not required as all gains and losses are included in the Statement of Financial Activities. A comparative Statement of Financial Activity has been included within note 27.

The notes on pages 33 to 54 form part of these financial statements.

**TIFFIN SCHOOL  
BALANCE SHEET  
AS AT 31 AUGUST 2017**

**Company number: 07547311**

		<b>2017</b>		<b>Restated 2016</b>	
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>FIXED ASSETS</b>					
Tangible assets	11		155		196
<b>CURRENT ASSETS</b>					
Stock	12	5		6	
Debtors	13	236		138	
Cash at bank and in hand		2,496		1,887	
		<u>2,737</u>		<u>2,031</u>	
<b>CURRENT LIABILITIES</b>					
<b>CREDITORS:</b> amounts falling due within one year	14	(1,299)		(527)	
<b>NET CURRENT ASSETS</b>			<u>1,438</u>		<u>1,504</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,593</u>		<u>1,700</u>
Defined benefit pension scheme liability	24		(1,502)		(2,395)
<b>NET ASSETS (including pension scheme liability)</b>			<u>91</u>		<u>(695)</u>
<b>FUNDS</b>					
<b>Restricted income funds</b>					
Fixed asset funds	15		817		928
General funds	15		286		380
Pension reserve	15		(1,502)		(2,395)
<b>Total restricted funds</b>			<u>(399)</u>		<u>(1,087)</u>
<b>Unrestricted Income funds</b>					
General funds	15		490		392
<b>Total unrestricted income funds</b>			<u>490</u>		<u>392</u>
<b>TOTAL FUNDS</b>			<u>91</u>		<u>(695)</u>

The financial statements were approved and authorised for issue by the Governing Board on 28 November 2017 and are signed on their behalf by:

  
Mr P R Phillips  
Chairman of Governors

The notes on pages 33 to 54 form part of these financial statements.

**TIFFIN SCHOOL**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 £'000	2016 £'000
Net cash provided by operating activities	19	723	291
Cash flows from investing activities	20	(114)	647
Change in cash and cash equivalents in the reporting period	21	609	938
Cash and cash equivalents at 1 September 2016		1,887	949
Cash and cash equivalents at 31 August 2017		2,496	1,887

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

## **1. ACCOUNTING POLICIES**

### **Basis of Preparation**

The financial statements of the School, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Tiffin School meets the definition of a public benefit entity under FRS 102.

### **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. There are no material uncertainties about the school's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Income**

All income is recognised when the School has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants receivable**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

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

- **Other income**

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

**1. ACCOUNTING POLICIES (continued)**

**Expenditure**

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

- **Expenditure on raising funds**

These are costs incurred by the School to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

- **Charitable activities**

These are costs incurred on the School's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

- **Property owned by Tiffin School Foundation**

All expenditure on improvements to the property owned by Tiffin School Foundation are expensed in the year incurred. This is a change to the previous policy, which was to capitalise such expenditure.

All resources expended are inclusive of any irrecoverable VAT.

**Tangible Fixed Assets**

Assets costing £2,500 or more, with the exception of property owned by the Tiffin School Foundation, 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Fixtures, fittings and equipment	10 – 20%
ICT equipment	25 – 33%
Motor Vehicles	10 – 20%

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

**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.

**Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**Provisions**

Provisions are recognised when the School has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**Leased Assets**

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

**Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with recoverable VAT, trade and other debtors. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise trade and other creditors.

**Stock**

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

**Taxation**

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

**1. ACCOUNTING POLICIES (continued)**

**Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the School in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**Fund Accounting**

Unrestricted income funds represent those resources that 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 that 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 and Skills Funding Agency.

1. ACCOUNTING POLICIES (continued)

**Critical accounting estimates and areas of judgement**

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

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

- **Pension scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

In the view of the governors, no further assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>2. VOLUNTARY INCOME</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total 2017 £'000</b>	<b>Total 2016 £'000</b>
Capital grant	-	1,984	1,984	889
Capital donations	-	59	59	12
Other donations	4	110	114	93
	<u>4</u>	<u>2,153</u>	<u>2,157</u>	<u>994</u>
<b>3. FUNDING FOR THE SCHOOL'S EDUCATIONAL OPERATIONS</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total 2017 £'000</b>	<b>Total 2016 £'000</b>
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	5,605	5,605	5,515
Other DfE/ESFA grants	-	52	52	49
	<u>-</u>	<u>5,657</u>	<u>5,657</u>	<u>5,564</u>
<b>Other Government grants</b>				
Local authority grants	-	-	-	4
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
<b>Other Academy Educational Funding</b>				
Other Funding	-	20	20	48
	<u>-</u>	<u>20</u>	<u>20</u>	<u>48</u>
	<u>-</u>	<u>5,677</u>	<u>5,677</u>	<u>5,616</u>
<b>4. OTHER TRADING ACTIVITIES</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total 2017 £'000</b>	<b>Total 2016 £'000</b>
Hire of facilities	189	-	189	179
Concerts and performances	36	-	36	35
School trips	-	232	232	307
Catering income	305	-	305	351
Other income	146	42	188	172
	<u>676</u>	<u>274</u>	<u>950</u>	<u>1,044</u>
<b>5. INVESTMENT INCOME</b>	<b>Unrestricted Funds £'000</b>	<b>Unrestricted Funds £'000</b>	<b>Total 2017 £'000</b>	<b>Total 2016 £'000</b>
Short term deposits	4	-	4	6
	<u>4</u>	<u>-</u>	<u>4</u>	<u>6</u>

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

6. EXPENDITURE	Non Pay Expenditure			Total	Restated
	Staff costs £'000	Premises £'000	Other £'000	2017 £'000	Total 2016 £'000
Expenditure on raising funds	17	2	2	21	23
School's educational operations:					
Direct costs	3,987	22	659	4,668	4,474
Allocated support costs	1,162	681	399	2,242	2,226
Expenditure on Premises held under Licence	-	2,139	-	2,139	174
	<u>5,166</u>	<u>2,844</u>	<u>1,060</u>	<u>9,070</u>	<u>6,897</u>
<b>Net income for the period includes:</b>				<b>2017 £'000</b>	<b>Restated 2016 £'000</b>
Operating leases				17	23
Depreciation				67	58
Loss on disposal of fixed assets				4	-
Fees payable to auditor – audit				10	11
– other services				5	1
<b>7. CHARITABLE ACTIVITIES</b>				<b>2017 £'000</b>	<b>Restated 2016 £'000</b>
School's educational operations					
Direct costs – educational operations				4,668	4,474
Support costs – educational operations				4,381	2,400
				<u>9,049</u>	<u>6,874</u>
<b>Allocation support costs</b>					
Support staff costs				1,147	1,065
Depreciation				45	38
Expenditure on Premises held under Licence				2,139	174
Technology costs				78	77
Premises costs				558	621
Other support costs				375	386
Governance costs				39	39
				<u>4,381</u>	<u>2,400</u>

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>8. STAFF</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	3,896	3,795
Social security costs	386	324
Pensions costs	853	749
Apprenticeship levy	2	-
	<u>5,137</u>	<u>4,868</u>
Supply teacher costs	29	18
	<u>5,166</u>	<u>4,886</u>

**b. Staff numbers**

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

	<b>2017 No.</b>	<b>2016 No.</b>
<b>Charitable activities</b>		
Teachers	57	56
Administration and support	39	39
Management	7	7
	<u>103</u>	<u>102</u>

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

	<b>2017 No.</b>	<b>2016 No.</b>
<b>Charitable activities</b>		
Teachers	68	68
Administration and support	69	72
Management	7	7
	<u>144</u>	<u>147</u>

Administration and support staff include a significant number of part time staff employed to undertake duties such as exam invigilation and cover supervision.

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**8. STAFF (continued)**

**c. Higher paid staff**

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff amounted to £49,256 (2016 - £37,297).

**d. Key management personnel**

The key management personnel of the School comprise the trustees and senior management team (as listed on the reference and administrative details page). The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £687,479 (2016: £664,808).

**9. GOVERNORS' REMUNERATION AND EXPENSES**

Headteacher and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and Staff members under their contracts of employment, and not in respect of their services as Governors. Other Governors did not receive any payments from the School in respect of their role as governors. The value of governors' remuneration, as teachers and support staff, was as follows:

	<b>2017</b>	<b>2016</b>
<b>M Gascoigne (Headteacher and ex officio Governor)</b>		
- Remuneration	£90,000 - £95,000	£85,000 - £90,000
- Employer's pension contributions	£15,000 - £20,000	£10,000 - £15,000
<b>C O'Connell (Teacher and Staff Governor)</b>		
- Remuneration	£45,000 - £50,000	£45,000 - £50,000
- Employer's pension contributions	£5,000 - £10,000	£5,000 - £10,000
<b>R Bevan (Support Staff and Staff Governor until 28 March 2017)</b>		
- Remuneration	£5,000 - £10,000	£15,000 - £20,000
- Employer's pension contributions	£0 - £5,000	£0 - £5,000

During the year ended 31 August 2017 no travel and subsistence expenses were reimbursed to governors (2016 - Nil).

Other related party transactions involving the trustees are set out in note 25.

**10. GOVERNORS' AND OFFICERS INSURANCE**

In accordance with normal commercial practice, the School has purchased insurance or risk protection in order to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The ESFA Risk Protection Arrangement provides cover up to £10 million on any one claim and the cost for the period ended 31 August 2017 is wrapped up in the total cost of the Risk Protection Arrangement of £23,200.

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**11. TANGIBLE FIXED ASSETS**

	<b>Buildings &amp; Improvements £'000</b>	<b>Assets Under Construction £'000</b>	<b>Furniture and Equipment £'000</b>	<b>Computer Equipment £'000</b>	<b>Motor Vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>						
At 1 September 2016	1,670	143	334	188	42	2,377
Prior year adjustment (note 26)	(1,670)	(143)	(159)	-	-	(1,972)
At 1 September 2016 (restated)	-	-	175	188	42	405
Additions	-	-	3	23	-	26
Disposals	-	-	(6)	-	-	(6)
At 31 August 2017	-	-	172	211	42	425
<b>Depreciation</b>						
At 1 September 2016	345	-	114	134	13	606
Prior year adjustment (note 26)	(345)	-	(52)	-	-	(397)
At 1 September 2016 (restated)	-	-	62	134	13	209
Charged in year	-	-	29	30	8	67
Disposals	-	-	(6)	-	-	(6)
At 31 August 2017	-	-	85	164	21	270
<b>Net Book Value</b>						
At 31 August 2017	-	-	87	47	21	155
At 31 August 2016	-	-	113	54	29	196

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 supplemental agreement between both parties and the Secretary of State. Accordingly, these assets have been excluded from the School's accounts. Since the School converted to an academy, £4,110,000 has been expended on land and building improvements.

**12. STOCK**

	<b>2017 £'000</b>	<b>2016 £'000</b>
Catering	5	6
	<u>5</u>	<u>6</u>

**13. DEBTORS**

	<b>2017 £'000</b>	<b>2016 £'000</b>
Trade debtors	4	14
VAT recoverable	160	44
Other debtors	11	32
Prepayments and accrued income	61	48
	<u>236</u>	<u>138</u>

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>14. CREDITORS: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	938	235
Taxation and social security	101	93
Other creditors	38	36
Accruals and deferred income	222	163
	<u>1,299</u>	<u>527</u>
<b>Deferred income</b>		
Deferred income at 1 September 2016	42	50
Resources deferred in year	51	42
Amounts released from previous years	(42)	(50)
	<u>51</u>	<u>42</u>
Deferred income at 31 August 2017	<u>51</u>	<u>42</u>

At the balance sheet date, the School was holding funds received in advance from the ESFA towards the cost of business rates and payments received for school trips that will take place in the 2017-2018 financial year.

<b>15. FUNDS</b>	<b>Restated Balance at 1 September 2016 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains, Losses and transfers £'000</b>	<b>Balance at 31 August 2017 £'000</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	356	5,605	(5,648)	(52)	261
Other DfE/ESFA grants	-	52	(52)	-	-
Other funding	1	20	(20)	-	1
Donations	9	110	(110)	-	9
Income from other trading activities	14	274	(273)	-	15
Pension scheme deficit	(2,395)	-	(175)	1,068	(1,502)
	<u>(2,015)</u>	<u>6,061</u>	<u>(6,278)</u>	<u>1,016</u>	<u>(1,216)</u>
<b>Restricted fixed assets funds</b>					
DfE/ESFA capital grants	757	1,984	(2,072)	-	669
Other capital grants	4	-	(1)	-	3
Voluntary income	71	59	(75)	-	55
Capital expenditure from GAG	96	-	(58)	52	90
	<u>928</u>	<u>2,043</u>	<u>(2,206)</u>	<u>52</u>	<u>817</u>
<b>Total restricted funds</b>	<u>(1,087)</u>	<u>8,104</u>	<u>(8,484)</u>	<u>1,068</u>	<u>(399)</u>
<b>Unrestricted funds</b>					
Unrestricted funds	392	684	(586)	-	490
<b>Total funds</b>	<u>(695)</u>	<u>8,788</u>	<u>(9,070)</u>	<u>1,068</u>	<u>91</u>

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**15. FUNDS (continued)**

The balance of GAG funding held at 31 August 2017 is the unspent element of core government funding and represents reserves in accordance with the policy of the School. This will be applied to providing educational operations in future accounting periods. Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward.

Other restricted balances are unspent grants, donations or fundraising activities that were for specific purposes. Other DfE/ESFA grants was largely the pupil premium grant and it was expended in accordance with the School's pupil premium statement (available to view on the School website). Other restricted funding was grant income towards teacher training and restricted donations included donations from related organisations such as the Tiffin School Foundation (£63k), Tiffinian Limited (£59k) and the Tiffinian Association Limited (£10k); all of these donations were expended during the year. The pension reserve represents the actuarial valuation at 31 August 2017 of the deficit relating to current or former employees that are either members, deferred pensioners or receiving pension benefits from the local government pension scheme.

Unrestricted funds include non specific purpose fundraising and activities for generating funds such as the letting of premises and facilities. Such funds will be reinvested in improving the facilities at the school.

Full comparatives for the year to 31 August 2016 can be found in the 2016 Financial Statements, which are available from the Charity Commission website.

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed assets Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	155	155
Current assets	516	768	1,453	2,737
Current liabilities	(26)	(482)	(791)	(1,299)
Pension scheme deficit	-	(1,502)	-	(1,502)
<b>Total net assets</b>	<b>490</b>	<b>(1,216)</b>	<b>817</b>	<b>91</b>

**17. CAPITAL COMMITMENTS**

	2017 £'000	2016 £'000
Contracted for, but not provided in the financial statements	-	167

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**18. FINANCIAL COMMITMENTS**

**Operating leases**

At 31 August 2017 the School had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Other</b>		
Within one year	12	19
Within two and five years inclusive	10	24
	<u>22</u>	<u>43</u>

<b>19. RECONCILIATION OF NET INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2017</b>	<b>Restated 2016</b>
	<b>£'000</b>	<b>£'000</b>
Net income	(282)	763
Depreciation (note 11)	67	58
Capital grants from DfE and other capital income	(2,043)	(901)
Expenditure on premises held under licence	2,139	174
Interest receivable(note 5)	(4)	(6)
Decrease (Increase) in stocks	1	2
(Increase) Decrease in debtors	(98)	120
Increase (Decrease) in creditors	772	(17)
(Gain) on disposal of fixed assets	(4)	-
Pension net operating charge	392	316
Contributions to defined benefit pension scheme	(217)	(218)
<b>Net cash inflow provided by operating activities</b>	<u>723</u>	<u>291</u>

<b>20. CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>2017</b>	<b>Restated 2016</b>
	<b>£'000</b>	<b>£'000</b>
Interest received	4	6
Purchase of tangible fixed assets	(26)	(86)
Expenditure on premises held under licence	(2,139)	(174)
Capital grants from DfE/ESFA	1,984	857
Capital funding received from other sources	59	44
Receipts from sale of tangible fixed assets	4	-
<b>Net cash flows from investing activities</b>	<u>(114)</u>	<u>647</u>

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>21. ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>At 1 September 2016 £'000</b>	<b>Cash flows £'000</b>	<b>At 31 August 2017 £'000</b>
Cash at bank and in hand	887	1,109	1,996
Deposit accounts	1,000	(500)	500
	<u>1,887</u>	<u>609</u>	<u>2,496</u>

**22. 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 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.

<b>23. FINANCIAL INSTRUMENTS</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
Financial assets measured at amortised cost	2,671	1,977
Financial liabilities measured at amortised cost	<u>977</u>	<u>271</u>

## **24. PENSION AND SIMILAR OBLIGATIONS**

The School'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 multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

### **Teachers' Pension Scheme**

#### **Introduction**

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

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

#### **Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

The employer's pension costs paid to TPS in the period amounted to £451,000 (2016: £434,000).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £275,000 (2016: £272,000), of which employer's contributions totalled £219,000 (2016: £218,000) and employees' contributions totalled £56,000 (2016: £54,000). The agreed contribution rates for employers are 25.5 per cent until 31 March 2018, then reducing to 24.5% in 2018/19 and 23.5% in 2019/20. The rate for employees is tiered between 5.5 and 8.5 per cent.

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

<b>Principal Actuarial Assumption</b>	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
Rate of increase in salaries	2.8%	4.1%
Rate of increase for pensions in payment	2.4%	2.1%
Discount rate for scheme liabilities	2.5%	2.0%
Inflation assumption	2.4%	2.1%
Commutation of pensions to lump sums	50.0%	50.0%

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

	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
<i>Retiring today</i>		
Males	22.5	22.5
Females	24.8	24.7
<i>Retiring in 20 years</i>		
Males	24.2	24.6
Females	26.7	27.0

<b>Sensitivity Analysis</b>	<b>At 31 August 2017 £'000</b>	<b>At 31 August 2016 £'000</b>
Discount rate +0.5%	435	502
Salary increase rate +0.5%	61	152
Pension increase rate +0.5%	368	335

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

**Local Government Pension Scheme (continued)**

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

	Fair value At 31 August 2017 £'000	Fair value At 31 August 2016 £'000
Equities	2,007	1,611
Bonds	585	576
Property	112	92
Cash	84	23
	<hr/>	<hr/>
<b>Total market value of assets</b>	<b>2,788</b>	<b>2,302</b>
Present value of scheme liabilities		
- Funded	(4,290)	(4,697)
	<hr/>	<hr/>
<b>Deficit in the scheme</b>	<b>(1,502)</b>	<b>(2,395)</b>
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £291,000 (2016: £385,000).

	2017 £'000	2016 £'000
<b>Amounts recognised in the statement of financial activities</b>		
Current service cost (net of employee contributions)	126	38
Net interest cost	49	60
	<hr/>	<hr/>
<b>Total operating charge</b>	<b>175</b>	<b>98</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	48	67
Interest on pension liabilities	(97)	(127)
	<hr/>	<hr/>
<b>Pension finance income/(costs)</b>	<b>(49)</b>	<b>(60)</b>
	<hr/> <hr/>	<hr/> <hr/>

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

**Local Government Pension Scheme (continued)**

<b>Movements in the present value of defined benefit obligations were as follows</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
<b>At 1 September</b>	<b>4,697</b>	<b>3,305</b>
Current service cost	343	256
Interest cost	97	127
Employee contributions	56	54
Actuarial (gain)/loss	(825)	1,019
Estimated benefits paid	(78)	(64)
<b>At 31 August</b>	<b>4,290</b>	<b>4,697</b>
<b>Movements in the fair value of School's share of scheme assets</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
<b>At 1 September</b>	<b>2,302</b>	<b>1,709</b>
Expected return on assets	48	67
Actuarial gain/(loss)	243	318
Employer contributions	217	218
Employee contributions	56	54
Estimated benefits paid	(78)	(64)
<b>At 31 August</b>	<b>2,788</b>	<b>2,302</b>

**25. 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, as amended by modification orders dated 19 January 1994 and 1 July 2011, 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 through the Official Custodian. 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 Board of the School and the articles of association of the Academy Trust Company ensure that this majority is maintained. The approval of the Tiffin School Foundation and the Secretary of State for Education is required for changes to the Articles of Association of Tiffin School.

Governors/Directors of the School that served during the period who were also trustees of the Tiffin School Foundation were as follows:

P Phillips, J Lulham, S Goodridge, J Hasler-Winter, J Heath, S Satkunarajah, E Trump, J Turner, P Wardley

During the period ending 31 August 2017 the School received donations from the Tiffin School Foundation amounting to £62,771 (2016 - £9,738). These donations contributed towards the cost of maintaining and improving the premises and facilities at the School and valuable educational materials for science subjects. 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.

In September 2012, the Foundation took over responsibility for the collection of all new donations received from parents of students and other supporters of the school towards the Tiffin Education Fund, a fund that supports wider opportunities and capital developments at Tiffin School.

**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 were established prior to September 2012.

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

P Phillips, J Turner, P Wardley

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**25. RELATED PARTY TRANSACTIONS (continued)**

Trustees of Tiffinian Limited who were also employees of the School during the period were as follows:

M Gascoigne (Headteacher), E Barrett (Deputy Head)

During the period ending 31 August 2017 the School received funding from Tiffinian Limited amounting to £58,607 (2016 - £64,025). Donations were targeted at supporting the wider opportunities that are available to students.

**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 period were as follows:

P Phillips

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

M Gascoigne (Headteacher), E Barrett (Deputy Head)

During the period ending 31 August 2017 the School purchased goods from Elmfield Enterprises Limited amounting to £24,532 (2016 - £17,677).

**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 period were as follows:

M Gascoigne (Headteacher), A Di Luzio (Head of Rowing)

Canbury Boathouse Limited is a company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £5 towards the assets of the company in the event of liquidation. Members of the company with a direct relationship to the School are as follows:

Governors: J Turner

Employees: M Gascoigne (Headteacher)

During the period ending 31 August 2017 the School paid licence fees to Canbury Boathouse Limited amounting to £8,475 (2016 - £3,192).

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**26. PRIOR YEAR RESTATEMENT**

Due to a change in accounting policy as discussed in note 1 on page 34, some of the prior year figures have been restated. A reconciliation is shown below:

	<b>2016 Financial Statement £'000</b>	<b>Adjustment £'000</b>	<b>2016 Restated £'000</b>
Net movement in funds	127	(65)	62
Total funds brought forward	<u>753</u>	<u>(1,510)</u>	<u>(757)</u>
Total funds carried forward	<u>880</u>	<u>(1,575)</u>	<u>(695)</u>

Tangible fund assets have been restated by a reduction of £1,972k of cost and £397k of accumulated depreciation in the 2016 figures.

The cost has been recognised as an expense in the period when the addition was originally recognised and the accumulated depreciation was reversed in the period in which it was originally charged. £1,510k has been adjusted for within reserves at 1 September 2015 and the remaining £65k has been recognised as an expense in the year to 31 August 2016. The effect is a £1,575k increase in total expenditure.

**TIFFIN SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (RESTATED)**

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2016 £'000
<b>Income and endowments from:</b>					
Donations and capital grants		15	78	901	994
<b>Charitable activities</b>					
Funding for the School's educational Operations		-	5,616	-	5,616
<b>Other trading activities</b>		695	349	-	1,044
<b>Investments</b>		6	-	-	6
<b>Total Income</b>		<u>716</u>	<u>6,043</u>	<u>901</u>	<u>7,660</u>
<b>Expenditure on:</b>					
Raising funds		23	-	-	23
<b>Charitable Activities</b>					
School's educational operations		574	6,068	232	6,874
<b>Total Expenditure</b>		<u>597</u>	<u>6,068</u>	<u>232</u>	<u>6,897</u>
<b>Net Income/(Expenditure)</b>		<u>119</u>	<u>(25)</u>	<u>669</u>	<u>763</u>
Transfers between funds		-	(44)	44	-
<b>Net income for the period</b>		<u>119</u>	<u>(69)</u>	<u>713</u>	<u>763</u>
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes		-	(701)	-	(701)
<b>Net movement in funds</b>		<u>119</u>	<u>(770)</u>	<u>713</u>	<u>62</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		273	(1,245)	215	(757)
<b>Total funds carried forward</b>		<u>392</u>	<u>(2,015)</u>	<u>928</u>	<u>(695)</u>