

Company Registration No. 07687178 (England and Wales)

**TITHE ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**



# TITHE ACADEMY

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# TITHE ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

D Bocock  
H Freed  
P Hughes  
S Savva  
J Waxman

### Trustees

P Hughes (Chair of Board of Trustees)  
J Reavley (Accounting Officer)  
S Savva (Vice-Chair, Chair of Finance)  
P Katbamna (Appointed 10 January 2018)  
N Roger  
R Tullo

### Senior management team - Rooks Heath College

- Executive Headteacher	J Reavley
- Associate Headteacher	D Parker
- Director of Business	J Wright
- Deputy Headteacher	R Corzberg
- Deputy Headteacher	J Haddow
- Deputy Headteacher	J Logan

### Senior management team - Earlsmead Primary School

- Headteacher	N Marshall
- Deputy Headteacher	M Gregory
- Deputy Headteacher	T Nobbs

**Company registration number** 07687178 (England and Wales)

**Registered office** Eastcote Lane  
South Harrow  
London  
HA2 9AH

### Academies operated

Rooks Heath College  
Earlsmead Primary School

### Location

Eastcote Lane, Harrow,  
Arundel Drive, Harrow

### Headteacher

J Reavley  
N Marshall

### Independent auditor

Alliotts  
Friary Court  
13-21 High Street  
Guildford  
Surrey  
GU1 3DL

### Bankers

Lloyds Bank PLC  
105-109 Station Road  
Edgware  
London  
HA8 7JL

# TITHE ACADEMY

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2018

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

The Trust operates two academies for pupils aged 4 to 19 serving a catchment area in the London Borough of Harrow:

- Rooks Heath College has a pupil capacity of 1250 and had a roll of 1144 in the October 2018 school census.
- Earlsmead Primary School has a pupil capacity of 420 and had a roll of 326 in the October 2018 school census.

#### **Structure, governance and management**

##### Constitution

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

The Members of the Trust are legal Members of the charitable company. The Trustees of Tithe Academy are also the Directors of the charitable company for the purposes of company law. Following Rooks Heath College's conversion to a multi-academy trust, the charitable company became known as Tithe Academy, with Earlsmead Primary School joining the trust on 1st August 2017.

Details of the Governors who served during the year except as noted are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

In accordance with standard practice, the Academy Trust has purchased insurance to protect the Trustees, Governors and officers of the company from claims arising from negligent acts, error or omissions whilst on Academy Trust business. The cover under the policy is £1 million and in the period under review the policy premium was £559.

##### Method of recruitment and appointment or election of Trustees

The Trust looks to ensure a mix of skills and selects new Trustees on the basis of background, experience and specialist skills. Trustees are recruited from academy contacts including parents and staff. The Trust looks to maintain Trustees with a wide range of skills and experiences including the estates, legal, education, finance, management, and business.

##### Policies and procedures adopted for the induction and training of Trustees

Trustees are provided with induction training and a wider programme of training events is organised according to needs.

# TITHE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### Organisational structure

The day-to-day administration is undertaken within the policies and procedures written by the Board of Trustees which provide for significant personnel and expenditure decisions and major capital projects to be referred to the Board of Trustees for prior approval. These policies and procedures are based on guidance from the DfE.

The Board of Trustees meets at least 4 times a year and delegates responsibilities to a joint Local Governing Body and further delegates responsibilities to a number of sub-committees, including Audit & Risk and Pay Review Panels. Each committee works under the guidance of a trustee governor, appointed at the first committee meeting of the academic year. Written terms of reference are reviewed once a year and the Clerk to Governors co-ordinates the work of the Board of Trustees, Governors and committees.

### Arrangements for setting pay and remuneration of key management personnel

'Key management personnel' includes all Trustees, Governors, the Executive Headteacher as Accounting Officer and Director of Business as Chief Finance Officer (CFO).

Trustees do not receive any remuneration except for salaried employment remuneration.

The senior leadership team's remuneration is set by the CEO, except that the Executive Head's, Associate Head's, and Headteachers' remuneration is set by the Board of Trustees on advice from the Pay Review Panel. Pay progression is linked to performance and objective setting is rigorous. The pay of the CFO is determined by the CEO using the Trust's approved job evaluation scheme.

### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	-
Full-time equivalent employee number	-

#### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

#### *Percentage of pay bill spent on facility time*

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

#### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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### Related parties and other connected charities and organisations

The Academy Trust is one of seven member academies of The Jubilee Academy, which has been set up to provide alternative education provision in the London Borough of Harrow. Dr Reavley is currently the Executive Headteacher of The Jubilee Academy. The same seven academies have also successfully bid to the DfE to open two new free schools: Harrow View Primary School (still to open) and Pinner High School (open).

# TITHE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Objectives and activities

##### Objects and aims

The academy trust's objects, as set out in the Memorandum of Association, are 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 the schools' offering a broad curriculum with a strong emphasis, but in no way limited to one or a combination of the specialisms specified in the funding agreements entered into between the Company and the Secretary of State for Education ("Secretary of State").

Within the objects, the academy trust aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We aim to provide students with a first class education and a wide range of opportunities. This is done in a way which is consistent with the ethos that every child will be valued, respected and cared for, and through a daily moral purpose to provide the best learning experience for all.

The objective is to provide education for students of all abilities between the ages of 4 and 19. All children who apply are admitted (up to the capacity of the academy trust), with no selection.

Consistent with other academies in the United Kingdom we aim to raise the educational outcomes from the levels inherited from the predecessor school, and to increase student numbers.

##### Objectives, strategies and activities

The Trust's key objective is to provide the best possible education for each and every student. Tithe Academy will accomplish this by:

- i. Ensuring the Trust is vibrant and inclusive, where all students are nurtured and encouraged to learn and achieve, irrespective of gender, race, class, special needs, or belief.
- ii. Providing a learning environment where students are healthy, safe and enjoy opportunities available to enable them to achieve economic wellbeing.
- iii. Improving the physical environment and building on the culture of vigilance to best meet such demands.
- iv. Serving the needs of the community through:
  - Raising the level of achievement of all students by continuing to raise attainment and closing any remaining gaps.
  - Raising expectations for students through positive intervention programmes.
  - Prioritising teaching to promote learning and the raising of student achievement.
  - Fostering the development of all students through respect for other young people and adults.
  - Demonstrating an ambitious vision for students and teachers.
  - Embedding literacy and numeracy through a personalised and cross curricular approach.
  - Ensuring equal opportunities in relation to gender, race, class, special needs, and belief.

In order to achieve these objectives, the Trust aims to:

- i. Maintain a clear vision.
- ii. Share resources.
- iii. Secure economies of scale.
- iv. Strengthen governance.
- v. Secure financial strength.

# TITHE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Public benefit

In setting objectives and planning activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The Trust also holds community liaison and learning sessions during the day, and makes its facilities available to the community outside of educational hours.

#### **Strategic report**

##### **Achievements and performance**

During the last 12 month period Rooks Heath College educated approximately 1168 students between the ages of 11 and 19, while Earlsmead Primary School educated approximately 414 students between the ages of 4 and 11. Recruitment for Year 7 students was high. 195 students were admitted to Year 7 in 2018. 30 students were admitted to Reception in 2018, with 2 students held back from Year 1.

Rooks Heath College provided an outstanding standard of education and this was confirmed by the academic results at KS4 and KS5, continuing a trend of improvement.

The annual report for achievement and performance is centred on the findings of the July 2012 Ofsted report. The report's key findings highlight levels of achievement, teaching, behaviour, and leadership. Each one of these categories was awarded a grade 1, the highest level of achievement a school can attain. Rooks Heath College is an outstanding school and one that continues to improve. The sixth form is good and improving.

Students' achievement at Earlsmead Primary School is improving rapidly from a starting point at threshold, the school is progressing towards good. In Reading, Writing, and Maths the school now fares favourably with schools with a similar profile. For Writing the school was in the top 10 for progress in Harrow which is a high performing borough. Student achievement at Rooks Heath College is outstanding. Students enter in Year 7 with levels of attainment that are below average. They leave at the end of Year 11 with attainment that is above average. This represents outstanding progress for the majority of students given their low starting points. EBacc progress is also outstanding at +0.34, with Science at +0.55 (top 2% nationally) and Modern Foreign Languages at +0.99 (top 1% nationally). In the sixth form, students make good progress in most of their courses.

Teaching at Rooks Heath is outstanding, and is improving at Earlsmead Primary School. Teachers are highly committed to ensuring the success of all students. Assessment procedures include regular checks on students' progress and these inform teachers how to challenge students and extend their learning. A programme of cross Trust school improvement has started in order to support the Earlsmead Primary School leadership efforts in raising teaching standards.

The behaviour of students across the Trust is of a high standard. Students are courteous, considerate and cooperate well when moving between lessons and in their social time. Racial abuse and incidents of bullying are extremely rare and dealt with effectively. Attitudes to learning are usually very positive in lessons and students say that they feel very safe within Rooks Heath College and Earlsmead Primary School sites.

The Trust leadership at all levels works hard to secure continuous improvement over a sustained period. The leadership of teaching and the management of performance are highly effective. Trust leadership knows its strengths and the areas to develop further extremely well. Monitoring and evaluation of students' progress are carried out rigorously and, along with the outstanding curriculum and promotion of students' spiritual, moral, social and cultural development, ensure that the needs and interests of all students are met very effectively, particularly those students who arrive mid-year.

Since the 2012 inspection, Rooks Heath College has had several sets of external examination results. The three year trend average is in line with or above national averages. Progress data is in line with or above national key indicators. Earlsmead Primary School has made a promising start as a new academy within Tithe Academy Trust and continues to work with students to drive up results. From a low starting point, the leadership team have developed resources and robust systems to provide a platform for raising standards. Capacity to improve is strong.

# TITHE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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The Trust aims to support young people in reaching their potential in all areas of school life, an aim shared across both schools in the young multi-academy trust. This ambition encompasses academic subjects as well as art, drama, sport, music or dance, with the aim of producing 'well rounded' individuals who are able to make a positive contribution to society.

Students support their global community by volunteering for local community projects, and by raising awareness of and money for a number of worthy causes.

#### Key performance indicators

Rooks Heath College was rated 'Outstanding' in all categories by Ofsted who inspected in July 2012. This follows two previous grade 1 inspections in 2008 and 2005. Subsequent evaluations and APS and ISDR data confirms that outstanding measures are maintained.

Rooks Heath College was invited to participate in a Parliamentary Review due its Outstanding performance. Information detailing Rooks Heath College's Outstanding and innovative practice and achievement in improving school standards, and delivering the skills needed to succeed in the workplace, was published at the start of the current academic year

As the sponsor school, Rooks Heath is working with Earlsmead Primary School on a programme of school improvement. Collaboration across the Trust is strengthening, with business functions being managed centrally in order to maximise teaching and learning time and resources.

#### Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

Funding for the period was provided by ESFA by means of standard grants to cover operational and capital costs. Additional funds were received from letting facilities to third parties, from bank interest and from success in attracting other grant income. Rooks Heath College successfully applied for a CIF grant from the ESFA for £133,273, for a roof replacement project, funding of £119,946 has been received and £13,327 has been accrued in this financial year, and £85,463 has been spent, and £51,724 has been accrued.

A deficit of funds of £720,010 before an actuarial gain of £717,000 was incurred. Net assets of £16,700,740, including cash funds of £452,638, have been carried forward into 2018/19.

At 31 August 2018 cash funds of £452,638 were held in the Trust's Lloyds Bank debit account, and have largely been accumulated through a brought forward surplus.

Both financial and educational Key Performance Indicators are used to track progress against objectives, and to identify quickly any worrying trends. These KPIs include student numbers, staff costs as a % of income, and asset / liability ratios.

# TITHE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Reserves policy

The Trustees have determined an appropriate level of free reserves (total funds less the amount held in tangible assets, restricted and designated funds), that represents the amounts deemed to be necessary to deal with unexpected emergencies. The Trustees have assessed this as £500,000.

In the accounts there are currently free reserves of £190,595. In reviewing their reserves the Trust noted that the total at the year end of restricted general funds (excluding pension reserve) plus the balance of unrestricted funds was £190,595.

The Trustees are aware of upcoming cost pressures in pension contributions, likely site pressures, and the impact of the continuing reduction in student-led funding. They therefore regard the level of reserves held as reasonable.

#### Investment policy

Our investment policy is zero risk based and funds will only be lodged with organisations with the highest possible credit rating. Fixed term deposits will only be taken out where we are sure the funds will not be required during the duration of the term.

#### Principal risks and uncertainties

The Board of Trustees is responsible for the identification and management of the risks in their Trust. A formal review of risks and the risk management processes was undertaken during the year and these will be reviewed annually going forward.

Through the risk management processes that have been formalised at the Academy Trust, the Trustees are satisfied that the major risks identified will be adequately mitigated where necessary.

The key controls used by the Board include:

- formal agendas and minutes for all meetings of the Board and committees;
- terms of reference for all committees;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and reporting lines;
- comprehensive formal written policies;
- clear authorisation limits;
- construction and regular review of risk registers;
- vetting procedures as required by law, for protection of the vulnerable;
- strategic site planning to meet business needs, with in-house cost-saving repairs and refurbishments.

In common with every Academy Trust in the country, funding is dependent on government policy; there is always risk that funding will be cut and the Trustees have been prudent in budgeting for the future. The brought forward surplus is viewed as providing protection against funding and student number fluctuations.

The deficit on the Local Government Pension Scheme decreased by £323,000 in the period to £3,143,000 and there is continuing uncertainty in any final salary scheme of this type.

# TITHE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### **Fundraising**

The Trust recognises the need to explore income opportunities outside its usual devolved funding streams in order to maximise learning opportunities for the young people being educated across the trust. The Trust also recognises the need to follow Charity Commission guidance. The Trust will ensure that the following basic principles are always followed:

- Effective planning – set out, agreed, and monitored.
- Monitoring of fundraisers – through established systems for overseeing fundraising and use of established financial procedures.
- Safeguarding the Trust / charity – strong management of assets and resources.
- Compliance – fundraising laws and regulations, especially data protection and licensing laws.
- Following the Code of Fundraising Practice – ensuring standards are adhered to.
- Accountability – ensuring the Trust / charity complies with statutory reporting and accounting requirements.

The Trust has highly skilled and dedicated staff who pursue fundraising leads. If deemed of benefit, external fundraising expertise will be used following appropriate procurement exercises. Such consultants, and all fundraising, will be monitored by Trust staff and Trustees. The Trust does not sanction any unreasonably intrusive or persistent approach to fundraising by anyone within the Trust or working on behalf of the Trust. The Trust has established policies and procedures for any person wishing to voice a concern or complaint.

#### **Plans for future periods**

The Trust's key objectives for 2018/19 are to continue the development and progress of the Academy, sharing good practice across the Trust, and ensuring outstanding practice, attainment, and achievements will place the Trust on a secure platform in any external inspection. The Trust plans for Rooks Heath College and Earlsmead Primary School include:

1. To raise the bar with student expectations and achievements across the Trust.
2. The Trust will continue the relentless drive on improving standards, maintaining outstanding provision, whilst also developing the new curriculum to meet the needs of all learners.
3. To continue to improve the quality of teaching in all key stages, ensuring it is always at least consistently good. Particular focus remains on improving the quality of teaching and learning in English and Mathematics, especially at KS2 and KS4.
4. To build on the rapid progress made in Behaviour and Safety, including attendance, in order to improve the quality of time available for learning across the Trust.
5. The Trust will seek to increase the capacity of Leadership and Management through effective succession planning for future learners.
6. To share knowledge and expertise with other trusts, academies and schools to build on their development as well as our own.

The Trust recognises that developing closer Trust links is essential to achievement of these plans. Trustees and Trust staff are committed to:

- Maintaining a clear vision.
- Sharing resources.
- Securing economies of scale.
- Strengthening governance.
- Securing financial strength.

# TITHE ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

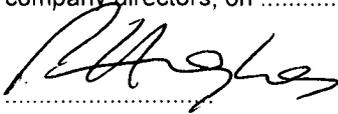
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### **Auditor**

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on ..... and signed on its behalf by:



.....  
P Hughes

**Chair of Board of Trustees**

# TITHE ACADEMY

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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### Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 Tithe Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year was as follows:

Trustees	Meetings attended	Out of possible
P Hughes (Chair of Board of Trustees)	6	6
J Reavley (Accounting Officer)	6	6
S Savva (Vice-Chair, Chair of Finance)	6	6
P Katbamna (Appointed 10 January 2018)	3	4
N Roger	6	6
R Tullo	5	6

A review of the board's performance took place at the end of the 2017/18 academic year. It noted that the Board had worked effectively in supporting the senior leadership of both schools in maintaining stability in terms of staff turnover and pupil numbers and bringing about some improvement in standards. The single Local Governing Body has worked well and there is no evidence that governors feel constrained in asking questions or challenging leaders. A wide variety of topics has been covered at meetings with a balance between matters regarding Rooks Heath, Earlsmead, and the Trust.

The review highlighted areas for development, in particular in relation to governor visits. Both Governors and Trustees will work on developing school links and increasing visibility, and becoming better informed about particular aspects of school and student standards.

A skills audit was also carried out to highlight areas for development, as well as skills required from future governor or trustee recruitment drives.

The Board of Trustees is responsible for the performance of the Trust. In order to discharge this obligation, it retains responsibility for:

- setting the vision and strategy for the Trust;
- ensuring the quality of educational provision within the Trust;
- challenging and monitoring the performance of each school within the Trust;
- managing the Trust's resources effectively;
- appointing the Chief Executive, Headteachers, and Chief Finance Officer;
- ensuring that the Trust complies with charity and company law;
- ensuring that the Trust and each school complies with the Funding Agreements; and
- exercising reasonable skill and care in carrying out its duties.

The Board must also understand the Trust budget, and understand and challenge the management accounts.

# TITHE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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In order to share knowledge and skills, the Trust operated with one single joint Local Governing Body. This committee is responsible for:

- Setting the curriculum for the schools and monitoring standards to ensure that every pupil makes good progress and achieves well.
- Setting the School Development Plans and monitoring implementation to ensure that provision continues to improve.

This committee must also understand the school budgets and management accounts.

The Board has also established an Audit and Risk Committee to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. It reports its findings annually to the Board of Trustees and the Accounting Officer as part of the Trust's annual reporting requirements. The purpose of the sub-committee was to:

- Advise the Board of Trustees and Accounting Officer on the adequacy and effectiveness of the Trust's governance, risk management, internal control and value for money systems and frameworks.
- Advise the Board of Trustees on the appointment, re-appointment, dismissal and remuneration of the external and regularity auditor.
- Advise the Board of Trustees on the need for, and then, where appropriate, the appointment, re-appointment, dismissal and remuneration of, an internal auditor or other assurance provider to ensure that the Trust meets its legal and contractual requirements.
- Advise the Board of Trustees on an appropriate programme of work to be undertaken through the audit and assurance processes. This programme of work will be derived from the Audit Committee's regard of the key risks faced by the Trust, the assurance framework in place and its duty to report to the Board of Trustees.
- Review the external auditor's annual planning document and approve the planned audit approach.
- Receive reports (annual reports, management letters etc.) from the external auditor and other bodies, for example the ESFA and NAO, and consider any issues raised, the associated management response and action plans. Where deemed appropriate, reports should be referred to the Board or other committee for information and action.
- Monitor outstanding audit recommendations from whatever source and ensure any delays to implementation dates are reasonable.
- Review the Trust's fraud response plan and ensure that all allegations of fraud or irregularity are managed and investigated appropriately.
- Consider any additional services delivered by the external auditor or other assurance provider and ensure appropriate independence is maintained.
- Meet with the external auditor, without management present, at least annually.

Attendance at the Audit and Risk committee meetings held during the 2017/18 year was as follows:

<b>Audit &amp; Risk Members</b>		<b>Meetings attended</b>	<b>Out of possible</b>
R Tullo	(Chair of Audit & Risk Committee)	2	2
S Savva	(Vice-chair)	2	2
J Wright	(Chief Finance Officer)	2	2
D Parker		2	2
M Dhamu		2	2

# TITHE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Review of value for money**

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

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

- Challenge - Is the Trust's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- Compare – How does the Trust's student performance and financial performance compare with all schools? How does it compare with LA schools? How do they compare with similar schools?
- Compete – How does the college secure efficient and effective services? Are services of appropriate quality, and are they economic, sustainable and ethical?
- Consult – How does the Trust seek the views of stakeholders about the services provided?

### The Trustee's Approach

In making decisions about value for money the main areas that trustees have considered are:

- Effectiveness
- Efficiency
- Economy
- Ethics

# TITHE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Effectiveness through improved educational performance

The Trust focusses on student achievement with the following key indicators in the 2017/18 academic year:

- 55% of students achieved the English and Maths Basic Measure 9-4. 40% of students achieved 9-5 English and Maths Basics Measure. 68% of students achieved 9-4 in English. 52% of students achieved 9-5 in English. 49% of students achieved level 9-5 in Maths. 62% of students achieved 9-4 in Maths. Progress in EBacc subjects was high and significantly above the national average in science and modern foreign languages and in line with the national average for Maths. There were very good examination results at KS5. 71% achieved A\*-C grades at A2, 88% achieved D\*/D at level 3 BTEC, and 95% gained D\*/Merit passes. All of Rooks Heath students have progressed to appropriate employment, training, or education which is above the national average.
- The performance of modern foreign languages (MFL) and Latin at GCSE was exceptional. Out of 88 entries, 48% achieved GCSE grades 9-7. The MFL APS was 5.88, significantly above the national average of 4.89.
- The performance of science was also well above the national average with 31% of students entered in sciences achieving GCSE grades 9-7. The sciences APS was 5.49 which is significantly above the national average of 4.70.
- KS2 results in reading and maths continues on an upward trend at 70% and 74% EXS+ respectively. Writing at 77% is broadly in line with national results. EYFS GLD (good level of development) achievement continues the upward trend, ending 2017/18 on 74%.
- Excellent teaching. A robust and rigorous Performance Management process to measure teacher effectiveness. 97% of Rooks Heath teachers and 65% of Earlsmead teachers in 2017/18 judged to be 'Good' or 'Outstanding' through a Performance Appraisal process. Support in place for teachers falling below that standard, and a cross Trust programme of school improvement. Equivalent Performance Appraisal process for associate staff.
- Excellent and well-resourced student support, strong links between home and school / college.
- Extensive suite of professional development opportunities both in house and accessed through Harrow Collegiate Teaching Schools Alliance. Several staff from Earlsmead Primary School and Rooks Heath College are currently participating in HCTSA leadership courses with many others having completed the courses previously.
- An Ofsted judgement of Outstanding in all five categories in July 2012, Rooks Heath College's third successive grade 1 inspection.
- 95% attendance by the Earlsmead Primary School student body, 94.82% by the Rooks Heath students.
- A very broad curriculum offer at KS4 including Latin, Psychology and Economics to GCSE, several minority languages examined at GCSE level, as well as 28 A level subjects and 9 BTECs in the 6th Form.
- Excellent facilities including a theatre, recording studio, ICT suites, science laboratories, technology rooms, dance studio, an expanding wireless network, extensive library facilities, outside pond area for learning.
- Art exhibitions displaying students' work. 100s of students participating in musical events throughout the year. Approximately 160 trips within the academic year.
- Excellent behaviour with a strong emphasis on impeccable manners, immaculate appearance and hard work. Very high expectations of the students.
- Excellent progression rates to university, many to the top universities.
- Strong links with the local community and many opportunities for students to demonstrate leadership and active citizenship.

# TITHE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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- Earlsmead achieved the School Games silver award, and the gold level Stars accreditation.
- Happy students who are very proud of their school and college.

#### Efficiency through financial governance and management

There is robust financial governance and oversight including the following;

- Financial regulations and procedures recently reviewed
- Written delegations annually reviewed and signed
- Purchasing procedures based on clear separation of duties and a requirement for written quotations and tenders when specified thresholds are reached
- Regular budget monitoring including comprehensive monthly management accounts
- Two year financial planning and cash-flow forecasting
- Business continuity planning and regular review of the risk register at Local Governing Body, Audit and Risk Committee and Board of Trustee meetings
- Charging policy annually reviewed
- Investment policy based on an appropriate balance between risk and reward
- HR suite of policies covering gifts and hospitality rigorously enforced
- Trustee, Governors and staff complete Register of Interests and Related Parties forms annually
- Finance training for Trustees, Governors and staff with significant financial responsibilities
- Use of timetabling and other data to ensure the use of teaching and accommodation resources are optimised
- Capital funding bids completed to ensure accommodation condition is improved
- Pay policies are used that are underpinned by the use of national pay scales for teachers and associate staff posts
- A full programme of audit assurance work agreed by Trustees, delivered by external auditors, with follow-up through the Audit and Risk committee
- Use is made of specialist advice including legal, property and actuarial services where appropriate and justified on cost grounds
- Centrally managed financial functions allowing established good practice to embed across the Trust

#### Economy through working collaboratively to share best practice and reduce costs

The Trust actively participates in a wide range of collaborative initiatives;

- Member of Harrow Collegiate Teaching School Alliance, 2 primary school alliances, and part of PiXL.
- Extensive programme of CPD delivered across Harrow schools
- Member of sixth form collegiate allowing students to undertake studies at a number of different schools contributing to more efficient class sizes and greater student choice
- Collaborative procurement programme managed by Chief Finance Officers covering a range of services including catering, cleaning, financial software, audit, energy, property management, banking, HR and payroll services
- Shared services including project management and financial advice
- Member of Crescent Purchasing Consortium accessing contracts for insurance and other goods and services
- Benchmarking with other Harrow academies and secondary schools, and other families of schools
- Member of The Jubilee Academy, an alternative provision school opened in Harrow in September 2013
- Shared resourcing of finance and HR functions including CFO, Finance and HR staff

#### Ethics through policies which respect people and the environment

The Trust operates a suite of HR Policies which seeks to ensure all parties employed by and for the Trust are treated with respect and have rights with regard to employment including the rights to working hours that comply with national laws, equal opportunities, recognised employment relationship, freedom from intimidation and to a safe and healthy working environment.

The Trust also applies an Environmental and Sustainable Development Policy when looking at the resourcing and maintenance of the Trust.

# TITHE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Tithe Academy for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

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

### **The risk and control framework**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

Alliotts, the external auditor are being used to give advice on financial matters and perform a range of checks on the Trust's financial systems, which included the following areas this period:

- Governance
- Budgetary Process
- Capital Projects
- Cash Management
- Payroll Process
- Risk Assessment

On a termly basis the auditor reports to the Board on the operation of the systems of control and on the discharge of the financial responsibilities of the Board. No material failures or weaknesses were identified during the year as result of the extended assurance work.

# TITHE ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Review of effectiveness

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

- the performance of extended assurance work and statutory audit work by the external auditor;
- the financial management and governance self-assessment process;
- the work of the Senior Leadership Team within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk sub-committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on ..... and signed on its behalf by:



P Hughes  
Chair of Board of Trustees



J Reavley  
Accounting Officer

# TITHE ACADEMY

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

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

I confirm that I and the academy trust's Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

  
J Reavley  
Accounting Officer

.....

# TITHE ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees (who are also the directors of Tithe Academy for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on ..... and signed on its behalf by:



P Hughes

**Chair of Board of Trustees**

# TITHE ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TITHE ACADEMY FOR THE YEAR ENDED 31 AUGUST 2018

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### Opinion

We have audited the accounts of Tithe Academy for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

### 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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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.

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

### Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# TITHE ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TITHE ACADEMY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **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 Trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated strategic report.

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

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

### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# TITHE ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TITHE ACADEMY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Use of our report

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



**Stephen Meredith BA FCA DChA (Senior Statutory Auditor)  
for and on behalf of Alliotts**

10/12/18

**Chartered Accountants  
Statutory Auditor**

Friary Court  
13-21 High Street  
Guildford  
Surrey  
GU1 3DL

# TITHE ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TITHE ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2018**

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In accordance with the terms of our engagement letter dated 20 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tithe Academy during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Tithe Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Tithe Academy and 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 Tithe Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Tithe Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Tithe Academy's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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.

## TITHE ACADEMY

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TITHE ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The work undertaken to draw to our conclusion includes:

- analytical review of the academy trust's general activities to ensure that they are within the academy trust's framework of authorities;
- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- review of the general control environment for the academy trust on financial statements and on regularity;
- sample testing of expenditure transactions to ensure the activity is permissible within the academy trust's framework of authority;
- confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;
- formal representations obtained from the governing body and the accounting officer acknowledging the responsibilities, including disclosing all non-compliance with laws and regulations specific to the authorising framework;
- confirmation that any extra-contractual payments such as severance and compensation payments have been appropriately authorised;
- review of credit card expenditure for any indication of personal use by staff, Headteacher or Trustees;
- review of specific terms of grant funding within the funding agreement;
- review of related party transactions for connections with the Headteacher or Trustees;
- review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

#### 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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant  
Alliotts

Dated: 10/12/18

# TITHE ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £		Total 2018 £	Total 2017 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	110,532	148,156	16,240	274,928	906,707
Donations - transfer from local authority on conversion		-	-	-	-	4,662,267
Charitable activities:						
- Funding for educational operations	4	178,817	9,142,179	-	9,320,996	7,465,951
Other trading activities	5	81,076	100,617	-	181,693	221,642
Investments	6	468	-	-	468	619
<b>Total</b>		<b>370,893</b>	<b>9,390,952</b>	<b>16,240</b>	<b>9,778,085</b>	<b>13,257,186</b>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	9	376,104	9,755,315	366,676	10,498,095	8,533,229
<b>Total</b>	<b>7</b>	<b>376,104</b>	<b>9,755,315</b>	<b>366,676</b>	<b>10,498,095</b>	<b>8,533,229</b>
<b>Net income/(expenditure)</b>		<b>(5,211)</b>	<b>(364,363)</b>	<b>(350,436)</b>	<b>(720,010)</b>	<b>4,723,957</b>
Transfers between funds	20	-	(112,459)	112,459	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	22	-	717,000	-	717,000	1,445,000
<b>Net movement in funds</b>		<b>(5,211)</b>	<b>240,178</b>	<b>(237,977)</b>	<b>(3,010)</b>	<b>6,168,957</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		195,806	(3,383,178)	19,891,122	16,703,750	10,534,793
Total funds carried forward		190,595	(3,143,000)	19,653,145	16,700,740	16,703,750

# TITHE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	7,170	2,818	896,719	906,707
Donations - transfer from local authority on conversion		83,869	(772,000)	5,350,398	4,662,267
<b>Charitable activities:</b>					
- Funding for educational operations	4	161,573	7,304,378	-	7,465,951
Other trading activities	5	62,550	159,092	-	221,642
Investments	6	619	-	-	619
<b>Total</b>		<u>315,781</u>	<u>6,694,288</u>	<u>6,247,117</u>	<u>13,257,186</u>
<b>Expenditure on:</b>					
<b>Charitable activities:</b>					
- Educational operations	9	167,304	8,103,931	261,994	8,533,229
<b>Total</b>	7	<u>167,304</u>	<u>8,103,931</u>	<u>261,994</u>	<u>8,533,229</u>
<b>Net income/(expenditure)</b>		148,477	(1,409,643)	5,985,123	4,723,957
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	22	-	1,445,000	-	1,445,000
<b>Net movement in funds</b>		148,477	35,357	5,985,123	6,168,957
<b>Reconciliation of funds</b>					
Total funds brought forward		47,329	(3,418,535)	13,905,999	10,534,793
Total funds carried forward		<u>195,806</u>	<u>(3,383,178)</u>	<u>19,891,122</u>	<u>16,703,750</u>

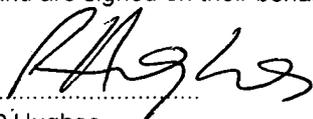
# TITHE ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	13		11,754		-
Tangible assets	14		19,641,391		19,877,040
			<u>19,653,145</u>		<u>19,877,040</u>
<b>Current assets</b>					
Stocks	15	249		-	
Debtors	16	310,224		734,461	
Cash at bank and in hand		452,638		690,052	
			<u>763,111</u>	<u>1,424,513</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	17	(536,286)		(1,089,355)	
<b>Net current assets</b>			<u>226,825</u>		<u>335,158</u>
<b>Total assets less current liabilities</b>			<u>19,879,970</u>		<u>20,212,198</u>
Creditors: amounts falling due after more than one year	18		(36,230)		(42,448)
<b>Net assets excluding pension liability</b>			<u>19,843,740</u>		<u>20,169,750</u>
Defined benefit pension scheme liability	22		(3,143,000)		(3,466,000)
<b>Net assets</b>			<u>16,700,740</u>		<u>16,703,750</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
- Fixed asset funds	20		19,653,145		19,891,122
- Restricted income funds			-		82,822
- Pension reserve			(3,143,000)		(3,466,000)
<b>Total restricted funds</b>			<u>16,510,145</u>		<u>16,507,944</u>
<b>Unrestricted income funds</b>	20		190,595		195,806
<b>Total funds</b>			<u>16,700,740</u>		<u>16,703,750</u>

The accounts on pages 24 to 49 were approved by the Trustees and authorised for issue on .....  
and are signed on their behalf by:



P Hughes  
Chair of Board of Trustees

Company Number 07687178

# TITHE ACADEMY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	23	(678,052)		46,012	
Cash funds transferred on conversion		-		83,869	
		<u>(678,052)</u>		<u>129,881</u>	
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		468		619	
Capital grants from DfE Group		586,339		477,594	
Purchase of intangible fixed assets		(14,692)		-	
Purchase of tangible fixed assets		<u>(128,089)</u>		<u>(1,029,326)</u>	
<b>Net cash provided by/(used in) investing activities</b>		444,026		(551,113)	
<b>Cash flows from financing activities</b>					
Repayment of other loan		<u>(3,388)</u>		<u>45,278</u>	
<b>Net cash (used in)/provided by financing activities</b>		<u>(3,388)</u>		<u>45,278</u>	
<b>Net decrease in cash and cash equivalents in the reporting period</b>		(237,414)		(375,954)	
Cash and cash equivalents at beginning of the year		690,052		1,066,006	
<b>Cash and cash equivalents at end of the year</b>		<u><u>452,638</u></u>		<u><u>690,052</u></u>	

# TITHE ACADEMY

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

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### 1 Accounting policies

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

#### 1.1 Basis of preparation

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

#### 1.2 Going concern

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

#### 1.3 Income

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

##### Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants 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 there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

##### Other income

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

##### Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

(Continued)

##### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is net of VAT.

##### Charitable activities

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

##### 1.5 Intangible fixed assets and amortisation

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible 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:

Computer software	Purchased computer software 5 years
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##### 1.6 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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 other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land & buildings	25-50 years
Assets under construction	Nil
Computer equipment	2-4 years
Fixtures, fittings & equipment	5-25 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

(Continued)

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

#### 1.7 Liabilities

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

#### 1.8 Leased assets

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

#### 1.9 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.10 Stock

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

#### 1.11 Taxation

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

#### 1.12 Pensions benefits

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

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.13 Fund accounting

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

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

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

#### 1.14 Agency arrangements

The academy trust acts as an agent in arranging school trips for its students. Payments received from parents and subsequently disbursements to suppliers are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds.

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

The value of assets transferred in each individual school within the multi academy trust were estimated on conversion. This was calculated by reference to the area of land and floor space in comparison to Rooks Heath College, which is in close proximity to the school. This is considered to be an appropriate basis of valuation.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Donations	-	-	-	7,170
Capital grants	-	164,396	164,396	899,537
Other donations	110,532	-	110,532	-
	<u>110,532</u>	<u>164,396</u>	<u>274,928</u>	<u>906,707</u>

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	8,071,911	8,071,911	6,686,959
Other DfE group grants	-	505,903	505,903	312,564
	-	8,577,814	8,577,814	6,999,523
<b>Other government grants</b>				
Local authority grants	-	564,365	564,365	234,855
Other government grants	-	-	-	70,000
	-	564,365	564,365	304,855
<b>Other funding</b>				
Other incoming resources	178,817	-	178,817	161,573
<b>Total funding</b>	178,817	9,142,179	9,320,996	7,465,951

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Lettings income	31,117	-	31,117	26,781
Other income	49,959	100,617	150,576	194,861
	81,076	100,617	181,693	221,642

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	468	-	468	619

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2018	2017
	£	£	£	£	£
Academy's educational operations					
- Direct costs	6,860,233	-	505,214	7,365,447	5,690,140
- Allocated support costs	1,552,117	1,059,732	520,799	3,132,648	2,843,089
	<u>8,412,350</u>	<u>1,059,732</u>	<u>1,026,013</u>	<u>10,498,095</u>	<u>8,533,229</u>

#### Net income/(expenditure) for the year includes:

	2018	2017
	£	£
Fees payable to auditor for:		
- Audit	10,815	9,100
- Other services	6,095	4,840
Operating lease rentals	5,488	-
Depreciation of tangible fixed assets	363,738	261,994
Amortisation of intangible fixed assets	2,938	-
Net interest on defined benefit pension liability	90,000	80,000
	<u>478,974</u>	<u>355,934</u>

### 8 Shared services

Shared services were provided by Rooks Heath College to Earlsmead Primary School during the year this related to the provision of finance, administration, legal, human resource and consultancy services. In addition, the mutli academy trust temporarily shared headmistress services and other staff during the year.

The academy trust charges for these services on the following basis:

- Where resources provided are difficult to accurately divide, these have been done so based on the proportion of pupils basis;
- Where the amounts related to a salaried person and the time can be accurately apportioned between the entities, the costing for this has been split based on the time spent.

The amounts charged during the year were as follows:

	2018	2017
	£	£
Earlsmead Primary School	165,639	-
	<u>165,639</u>	<u>-</u>

There were no central services provided during the year or the previous year.

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Direct costs</b>				
Educational operations	197,287	7,168,160	7,365,447	5,690,140
<b>Support costs</b>				
Educational operations	178,817	2,953,831	3,132,648	2,843,089
	<u>376,104</u>	<u>10,121,991</u>	<u>10,498,095</u>	<u>8,533,229</u>

	2018 £	2017 £
<b>Analysis of support costs</b>		
Support staff costs	1,552,117	1,356,608
Depreciation and amortisation	366,676	261,994
Technology costs	48,686	54,250
Premises costs	693,056	538,860
Other support costs	296,775	469,340
Governance costs	175,338	162,037
	<u>3,132,648</u>	<u>2,843,089</u>

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	6,036,968	5,066,451
Social security costs	599,985	501,056
Pension costs	1,341,422	1,109,330
Staff costs	<u>7,978,375</u>	<u>6,676,837</u>
Agency staff costs	397,059	113,343
Staff restructuring costs	11,683	-
Staff development and other staff costs	25,233	33,340
Total staff expenditure	<u>8,412,350</u>	<u>6,823,520</u>

Staff restructuring costs comprise:

Severance payments	<u>11,683</u>	<u>-</u>
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# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 10 Staff

(Continued)

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £11,683 (2017: £Nil). The payment of £11,683 for this was made on the 15 May 2018.

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	100	80
Administration and support	134	83
Management	10	8
	<u>244</u>	<u>171</u>

#### Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	2	3
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1
	<u>-</u>	<u>1</u>

#### Key management personnel

The key management personnel of the academy trust comprises of the Headteachers and the Director of Business. 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 £263,743 (2017: £254,600).

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 11 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff Trustees 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 Trustees.

The value of Trustees' remuneration and other benefits was as follows:

J Reavley (Headteacher and governor)	
Remuneration	£115,000 - £120,000 (2017: £120,000 - £125,000)
Employer's pension contributions	£nil (2017: £20,000 - £25,000)

During the year, travel and subsistence payments totalling £nil (2017: £nil) were reimbursed to no governors (2017: no governors).

Other related party transactions involving the governors are set out within the related parties note.

#### 12 Trustees and officers insurance

In accordance with normal commercial practice Rooks Heath College has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1 million on any one claim. The cost of this insurance is included in the total insurance cost and the cost for the year ended 31 August 2018 was £617 (2017: £601).

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

#### 13 Intangible fixed assets

	Computer software £
<b>Cost</b>	
At 1 September 2017	-
Additions	14,692
	<hr/>
At 31 August 2018	14,692
	<hr/>
<b>Amortisation</b>	
At 1 September 2017	-
Charge for year	2,938
	<hr/>
At 31 August 2018	2,938
	<hr/>
<b>Carrying amount</b>	
At 31 August 2018	11,754
	<hr/> <hr/>
At 31 August 2017	-
	<hr/> <hr/>

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 14 Tangible fixed assets

	Leasehold land & buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2017	20,040,987	861,886	358,234	673,198	21,934,305
Reclassification	-	(861,886)	20,751	841,135	-
Additions	-	-	27,413	100,676	128,089
At 31 August 2018	20,040,987	-	406,398	1,615,009	22,062,394
<b>Depreciation</b>					
At 1 September 2017	1,297,161	-	346,560	413,544	2,057,265
Charge for the year	265,236	-	15,605	82,897	363,738
At 31 August 2018	1,562,397	-	362,165	496,441	2,421,003
<b>Net book value</b>					
At 31 August 2018	18,478,590	-	44,233	1,118,568	19,641,391
At 31 August 2017	18,743,826	861,886	11,674	259,654	19,877,040

### 15 Stocks

	2018 £	2017 £
Catering stock	249	-

### 16 Debtors

	2018 £	2017 £
Trade debtors	10,317	2,681
VAT recoverable	68,371	148,435
Prepayments and accrued income	231,536	583,345
	310,224	734,461

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Creditors: amounts falling due within one year	2018 £	2017 £
Other loans	5,660	2,830
Trade creditors	63,041	478,280
Other taxation and social security	131,912	147,196
Other creditors	21,221	181,583
Accruals and deferred income	314,452	279,466
	<u>536,286</u>	<u>1,089,355</u>

Included in Other loans is £5,660 received as a Salix loan provided interest-free and is repayable in equal twice-yearly instalments over eight years.

18 Creditors: amounts falling due after more than one year	2018 £	2017 £
Other loans	36,230	42,448
	<u>36,230</u>	<u>42,448</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	41,890	45,278
Less: included in current liabilities	(5,660)	(2,830)
	<u>36,230</u>	<u>42,448</u>
Amounts included above	36,230	42,448
	<u>36,230</u>	<u>42,448</u>
Instalments not due within five years	16,420	19,809
	<u>16,420</u>	<u>19,809</u>
<b>Loan maturity</b>		
Debt due in one year or less	5,660	2,830
Due in more than one year but not more than two years	5,660	5,660
Due in more than two years but not more than five years	16,980	16,979
Due in more than five years	13,590	19,809
	<u>41,890</u>	<u>45,278</u>

Included in Other loans is £36,230 received as a Salix loan provided interest-free and is repayable in equal twice-yearly instalments over eight years.

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

19 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	141,116	145,870
Deferred income at 1 September 2017	145,870	70,595
Released from previous years	(145,870)	(75,595)
Resources deferred in the year	141,116	150,870
<b>Deferred income at 31 August 2018</b>	<b>141,116</b>	<b>145,870</b>

At the balance sheet date the academy trust was holding funds received in advance for SEN funding from the local authority and for Universal Infant Free School Meals from ESFA relating to the following academic year.

20 Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	82,822	8,071,911	(8,042,274)	(112,459)	-
Other DfE / ESFA grants	-	654,059	(654,059)	-	-
Other government grants	-	564,365	(564,365)	-	-
Other restricted funds	-	100,617	(100,617)	-	-
Pension reserve	(3,466,000)	-	(394,000)	717,000	(3,143,000)
	(3,383,178)	9,390,952	(9,755,315)	604,541	(3,143,000)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	18,660,538	-	(266,326)	-	18,394,212
DfE group capital grants	1,093,314	16,240	(78,757)	-	1,030,797
Capital expenditure from GAG	137,270	-	(21,593)	112,459	228,136
	19,891,122	16,240	(366,676)	112,459	19,653,145
<b>Total restricted funds</b>	<b>16,507,944</b>	<b>9,407,192</b>	<b>(10,121,991)</b>	<b>717,000</b>	<b>16,510,145</b>
<b>Unrestricted funds</b>					
General funds	195,806	370,893	(376,104)	-	190,595
<b>Total funds</b>	<b>16,703,750</b>	<b>9,778,085</b>	<b>(10,498,095)</b>	<b>717,000</b>	<b>16,700,740</b>

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 20 Funds

(Continued)

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

**General Annual Grant:** This fund is for the purpose of running the academy trust in accordance with the Funding Agreement with the Secretary of State and along guidelines as set out in the Academies Financial Handbook.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**Other DfE/ESFA grants:** This fund has also arisen from funding received from the Department for Education and the Education and Skills Funding Agency for the furtherance of the academy trust's activities that are not funded through the General Annual Grant.

**Other government grants:** This fund has also arisen from funding received for the furtherance of the academy trust's activities that are not funded through the General Annual Grant.

**Other restricted fund:** This restricted fund has arisen from other income that the academy trust has received. The monies have to be used for the benefit of the academy trust but there are no restrictions on when these monies can be spent.

**Pension reserve:** This liability has arisen from the Local Government Pension Scheme, which was inherited by the academy trust on conversion. See note 22 for further details on this liability.

**Restricted fixed asset funds:** These funds have arisen from fixed assets inherited upon conversion and from the subsequent purchases of new assets for use by the academy trust. All assets held are specifically for the use of the academy trust.

**Unrestricted funds:** These have arisen from activities carried out by the academy trust for raising funds and are unrelated to any form of government assistance and therefore the academy trust can choose to spend it however it chooses.

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 20 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	154,148	6,686,959	(6,758,285)	-	82,822
Other DfE / ESFA grants	-	315,382	(315,382)	-	-
Other government grants	-	304,855	(304,855)	-	-
Other restricted funds	266,317	159,092	(425,409)	-	-
Pension reserve	(3,839,000)	(772,000)	(300,000)	1,445,000	(3,466,000)
	<u>(3,418,535)</u>	<u>6,694,288</u>	<u>(8,103,931)</u>	<u>1,445,000</u>	<u>(3,383,178)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	13,510,989	5,350,398	(200,849)	-	18,660,538
DfE group capital grants	233,391	896,719	(36,796)	-	1,093,314
Capital expenditure from GAG	161,619	-	(24,349)	-	137,270
	<u>13,905,999</u>	<u>6,247,117</u>	<u>(261,994)</u>	<u>-</u>	<u>19,891,122</u>
<b>Total restricted funds</b>	<u>10,487,464</u>	<u>12,941,405</u>	<u>(8,365,925)</u>	<u>1,445,000</u>	<u>16,507,944</u>
<b>Unrestricted funds</b>					
General funds	<u>47,329</u>	<u>315,781</u>	<u>(167,304)</u>	<u>-</u>	<u>195,806</u>
<b>Total funds</b>	<u>10,534,793</u>	<u>13,257,186</u>	<u>(8,533,229)</u>	<u>1,445,000</u>	<u>16,703,750</u>

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 20 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	154,148	14,758,870	(14,800,559)	(112,459)	-
Other DfE / ESFA grants	-	969,441	(969,441)	-	-
Other government grants	-	869,220	(869,220)	-	-
Other restricted funds	266,317	259,709	(526,026)	-	-
Pension reserve	(3,839,000)	(772,000)	(694,000)	2,162,000	(3,143,000)
	<u>(3,418,535)</u>	<u>16,085,240</u>	<u>(17,859,246)</u>	<u>2,049,541</u>	<u>(3,143,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	13,510,989	5,350,398	(467,175)	-	18,394,212
DfE group capital grants	233,391	912,959	(115,553)	-	1,030,797
Capital expenditure from GAG	161,619	-	(45,942)	112,459	228,136
	<u>13,905,999</u>	<u>6,263,357</u>	<u>(628,670)</u>	<u>112,459</u>	<u>19,653,145</u>
<b>Total restricted funds</b>	<u>10,487,464</u>	<u>22,348,597</u>	<u>(18,487,916)</u>	<u>2,162,000</u>	<u>16,510,145</u>
<b>Unrestricted funds</b>					
General funds	<u>47,329</u>	<u>686,674</u>	<u>(543,408)</u>	<u>-</u>	<u>190,595</u>
<b>Total funds</b>	<u>10,534,793</u>	<u>23,035,271</u>	<u>(19,031,324)</u>	<u>2,162,000</u>	<u>16,700,740</u>

#### Total funds analysis by academy

	2018 £	2017 £
Fund balances at 31 August 2018 were allocated as follows:		
Rooks Heath College	120,378	248,788
Earlsmead Primary School	70,217	29,840
Total before fixed assets fund and pension reserve	<u>190,595</u>	<u>278,628</u>
Restricted fixed asset fund	19,653,145	19,891,122
Pension reserve	(3,143,000)	(3,466,000)
Total funds	<u>16,700,740</u>	<u>16,703,750</u>

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 20 Funds

(Continued)

#### Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	2018	2017
	£	£	£	£	£	£
Rooks Heath College	5,222,840	1,264,147	400,596	985,468	7,873,051	8,906,653
Earlsmead Primary School	1,637,390	287,970	104,617	228,390	2,258,367	143,874
	<u>6,860,230</u>	<u>1,552,117</u>	<u>505,213</u>	<u>1,213,858</u>	<u>10,131,418</u>	<u>9,050,527</u>

#### 21 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Intangible fixed assets	-	-	11,754	11,754
Tangible fixed assets	-	-	19,641,391	19,641,391
Current assets	190,595	572,516	-	763,111
Creditors falling due within one year	-	(536,286)	-	(536,286)
Creditors falling due after one year	-	(36,230)	-	(36,230)
Defined benefit pension liability	-	(3,143,000)	-	(3,143,000)
<b>Total net assets</b>	<u>190,595</u>	<u>(3,143,000)</u>	<u>19,653,145</u>	<u>16,700,740</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	19,877,040	19,877,040
Current assets	195,806	1,214,625	14,082	1,424,513
Creditors falling due within one year	-	(1,089,355)	-	(1,089,355)
Creditors falling due after one year	-	(42,448)	-	(42,448)
Defined benefit pension liability	-	(3,466,000)	-	(3,466,000)
<b>Total net assets</b>	<u>195,806</u>	<u>(3,383,178)</u>	<u>19,891,122</u>	<u>16,703,750</u>

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 22 Pension and similar obligations

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

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

Contributions amounting to £nil (2017: £130,531) were payable to the schemes at 31 August 2018 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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%

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 pension costs paid to the TPS in the period amounted to £578,652 (2017: £554,459).

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

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 22 Pension and similar obligations

(Continued)

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.5% for employers and 5.5 to 12.5% for employees.

The academy trust has agreed to make additional contributions totalling £97,000 over the two years to March 2020 in addition to normal funding levels.

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>Total contributions made</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Employer's contributions	427,000	334,000
Employees' contributions	113,000	85,000
	<u>          </u>	<u>          </u>
Total contributions	540,000	419,000
	<u>          </u>	<u>          </u>

<b>Principal actuarial assumptions</b>	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	2.7	2.7
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	2.4	2.4
	<u>          </u>	<u>          </u>

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

	<b>2018</b>	<b>2017</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.2	22.2
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.0	24.4
- Females	26.4	26.4
	<u>          </u>	<u>          </u>

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 22 Pension and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018 £	2017 £
Discount rate + 0.1%	(194,000)	(182,000)
Discount rate - 0.1%	194,000	182,000
Mortality assumption + 1 year	190,000	302,000
Mortality assumption - 1 year	(190,000)	(302,000)
CPI rate + 0.1%	158,000	144,000
CPI rate - 0.1%	(158,000)	(144,000)

#### The academy trust's share of the assets in the scheme

	2018 Fair value £	2017 Fair value £
Equities	3,757,000	3,100,000
Bonds	571,000	489,000
Property	380,000	326,000
Other assets	48,000	163,000
Total market value of assets	4,756,000	4,078,000

The actual return on scheme assets was £221,000 (2017: £527,000).

#### Amount recognised in the Statement of Financial Activities

	2018 £	2017 £
Current service cost	731,000	554,000
Interest income	(108,000)	(63,000)
Interest cost	198,000	143,000
Total operating charge	821,000	634,000

#### Changes in the present value of defined benefit obligations

	2018 £	2017 £
At 1 September 2017	7,544,000	6,783,000
Obligations acquired on conversion	-	1,035,000
Current service cost	731,000	554,000
Interest cost	198,000	143,000
Employee contributions	113,000	85,000
Actuarial gain	(604,000)	(981,000)
Benefits paid	(83,000)	(75,000)
At 31 August 2018	7,899,000	7,544,000

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

<b>22</b>	<b>Pension and similar obligations</b>	<b>(Continued)</b>	
	<b>Changes in the fair value of the academy trust's share of scheme assets</b>		
		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	At 1 September 2017	4,078,000	2,944,000
	Assets acquired on conversion	-	263,000
	Interest income	108,000	63,000
	Actuarial gain	113,000	464,000
	Employer contributions	427,000	334,000
	Employee contributions	113,000	85,000
	Benefits paid	(83,000)	(75,000)
		<u>4,756,000</u>	<u>4,078,000</u>
	At 31 August 2018	<u>4,756,000</u>	<u>4,078,000</u>
<b>23</b>	<b>Reconciliation of net (expenditure)/income to net cash flow from operating activities</b>		
		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(720,010)	4,723,957
	Adjusted for:		
	Net surplus on conversion to academy	-	(4,662,267)
	Capital grants from DfE/ESFA and other capital income	(164,396)	(899,537)
	Investment income receivable	(468)	(619)
	Defined benefit pension costs less contributions payable	304,000	220,000
	Defined benefit pension net finance cost	90,000	80,000
	Depreciation of tangible fixed assets	363,738	261,994
	Amortisation of intangible fixed assets	2,938	-
	(Increase) in stocks	(249)	-
	Decrease/(increase) in debtors	2,294	(131,373)
	(Decrease)/increase in creditors	(555,899)	453,857
		<u>(678,052)</u>	<u>46,012</u>

# TITHE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 24 Commitments under operating leases

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

	2018	2017
	£	£
Amounts due within one year	7,211	9,164
Amounts due in two and five years	14,592	21,803
	<u>21,803</u>	<u>30,967</u>

#### 25 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the year the Trust seconded a senior member of staff to The Jubilee Academy for which recharges of £55,872 (2017: £63,402) were made. In addition, payments of £36,000 (2017: £36,000) were made to The Jubilee Academy in relation to pupil fees.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

#### 26 Members' liability

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

#### 27 Agency arrangements

The academy trust acts as an agent in arranging school trips for its students. In the accounting period ending 31 August 2018 the trust received and disbursed £123,412 (2017: £96,434). An amount of £17,116 (2017: £16,866) is included in other creditors relating to deposits received in advance from parents for trips in the following academic year.