Company Registration Number: 07687178 (England & Wales)

TITHE ACADEMY

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

TITHE ACADEMY
(A Company Limited by Guarantee)

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TITHE ACADEMY

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	D Bocock H Freed P Hughes S Savva R Walsh
Trustees	P Hughes, Chair of Trustees J Reavley, Accounting Officer S Savva P Katbamna N Roger R Tullo K McEwan
Company registered number	07687178
Company name	Tithe Academy
Principal and registered office	Tithe Academy Eastcote Lane South Harrow Harrow London HA2 9AH
Senior Leadership Team	J Reavley, Chief Executive Officer J Wright, CFO M Manderson, Headteacher at Rooks Heath School N Marshall, Headteacher at Earlsmead Primary School
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank PLC 105 - 109 Station Road Edgware London HA8 7JL

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Tithe Academy ("the Charitable Company" or "the Trust") for the year to 31 August 2021. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 1 primary and 1 secondary academy ("the Academies" or "the Schools") serving Catchment Areas in Harrow. The Academies have a combined pupil capacity of 1680 and had a roll of 1474 in the October 2020 census, plus 11 children in the newly opened Earlsmead Nursery.

Structure, Governance and Management

Constitution

The 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. The Trustees of Tithe Academy are also the Directors of the Charitable Company for the purposes of company law. Within this Report the terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- Earlsmead Primary School
- Rooks Heath School

The operation of the Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Audit and Risk Committee. The Trust has one joint Local Governing Body (LGB) which supports the Trust's Audit and Risk Committee in the monitoring of the Academies within agreed budgets. Within this Report, the term Trustee refers to a member of the Board of Trustees and the term Governor to a member of the LGB.

Details of the Trustees who served during the year, and to the date these accounts are approved 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' and Officers' Indemnities

The Trust has opted to be covered under the Government's Risk Protection Arrangements (RPA) scheme to protect Trustees, Governors and Officers, from claims arising from negligent acts, omissions or errors whilst performing Trust business.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the Board of Trustees. Parent Trustees and the staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 8 Trustees (including a minimum of 2 parents, and a maximum of one third being employed by the Trust).

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides internal training led by Trust and School staff and also links with a number of local training providers.

All new Trustees have an induction programme, according to their need, which includes introductory sessions, mentoring, formal training courses, and a tour of their School. This process will involve a meeting with the Chair of Trustees, selected students and staff. All Trustees are provided with key documents and copies of policies and procedures that are appropriate to the role they undertake as Trustees with particular emphasis on safeguarding and the Committee or link work that they will undertake.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees meets on at least 5 occasions per year and is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust by the use of those budgets and making major decisions about the direction of the Trust, capital expenditure, senior staff appointments and executive pay.

The Academy Senior Leadership Teams (SLTs) control the Academies at an executive level implementing policies and reporting to the LGB. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending in accordance with the agreed spending limits within financial regulations and agreed budgets and for the appointment of staff, below senior leadership level, following vetting and safeguarding recruitment processes.

The CEO is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Trust. The CEO manages the Trust on a daily basis supported by a Trust Senior Leadership Team comprising Headteachers and the Chief Finance Officer (CFO) who look across the Trust and aligns local SLT and LGB activity to the strategic aims of the Trust as a whole. The Trust Senior Leadership Team meets monthly to discuss emerging matters and to help to develop strategies for future development to be put to the Board of Trustees as required for approval.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the School group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust’s appointment and pay policies.

All amendments to key management’s pay and remuneration are approved by the appropriate sub-committee and ratified by the Board of Trustees.

Trade Union Facility Time

The Trust has no employees that are Trade Union Representatives.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees and the LGB being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee or a Governor may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust’s financial regulations and normal procedures. Any transaction where the Trustee or Governor may have a pecuniary interest is only undertaken in accordance with the ‘at cost’ principle described in the Academies Financial Handbook.

The Trust cooperated with a related party during the academic year in pursuit of its charitable activities, details of which can be found in note 29, and does not have a formal sponsor.

Objectives and Activities

Objects and Aims

The principal object and aim of the Trust is the operation of a family of Academies to provide free education and care for pupils of different abilities between the ages of 4 and 19. Specifically to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

New to the family for the 2021/22 academic year is the Earlsmead Nursery where children are introduced to the educational and pastoral opportunities appropriate to the age. Most participating children qualify for free Nursery provision.

Objectives, Strategies and Activities

During the year the Trust has worked towards these aims by:

- Ensuring that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- Raising the standard of educational achievement of all pupils;
- Developing resilient, resourceful students;
- Adapting and applying skills for flexible life-long learning;
- Improving the effectiveness of each School by keeping the curriculum and organisational structure under continual review;
- Providing value for money for the funds expended; and
- Conducting the Trust's business in accordance with the highest standards of integrity.

Our success in fulfilling our aims can be measured through:

- External examinations and validations as well as internally assessed grades;
- School and Trust self-assessment forms which are robustly evaluated by senior leaders and Trustees;
- School improvement plans and the Trust improvement plan;
- Evaluations in CEO and Headteachers' reports to Board of Trustees and Local Governing Body
- Internal scrutiny and external audit reports; and
- A strong pastoral ethos which permeates across the whole Trust.

Public Benefit

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in internal assessments which took the place of public examinations during the pandemic; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their School.

Specific achievements were as follows:

- 62.9% of EYFS pupils achieved a good level of development
- 62.5 % of KS1 pupils achieved the expected standard in Phonics
- 75% of KS2 pupils achieved the expected standard in Reading
- 70.8% of KS2 pupils achieved the expected standard in Maths
- 76.7% of KS4 students achieved a pass in one English
- 62.1% of KS4 students achieved a pass in Maths
- 60% of KS4 students achieved a pass in Maths and English
- 69% of KS4 students achieved the EBacc at a standard pass
- 100% KS5 students achieved passes, with 23% at Distinction*-Distinction / A* / A equivalent
- 60 KS5 leavers secured university places, 11 secured apprenticeships, 10 are taking a gap year
- Alumni students returning to be of service to schools
- Continued professional development opportunities for staff including safeguarding
- Programme of site improvements undertaken
- Full governance schedule of work continued online and on site
- Highly successful safer recruitment drives during the academic year

Key Performance Indicators (KPI)

The Trustees receive regular information at each Committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

Financial

As funding is based on pupil numbers this is a KPI. Pupil numbers for 2020 were 1,480 against a budget of 1,520. A further KPI is staffing costs as a percentage of total recurring income. For 2020/21 this was 78% for Rooks Heath School and 83% for Earlsmead Primary School against set parameters of 80%. The Board of Trustees is confident that staffing levels are closely monitored to agreed staffing budgets and staffing structures all approved by them.

Trustees, particularly through the Audit and Risk Committee, also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board.

Non-Financial

Rooks Heath School and Earlsmead Primary School have both been awarded Good at inspection in 2019 and 2020 respectively. This realised the core Trust objective that all Schools within the Trust are deemed at least Good by Ofsted.

Both Schools performed well in externally assessed indicators, with 82% achieving grades A* - C at A level and 100% of students achieving a Pass, Merit or Distinction in vocational courses at the end of KS5, TAGs for GCSE indicate that students made positive progress with 76% achieving a grade 4 and above in English and 61% a grade 4 and above in maths. 46% of students achieved the EBacc at KS4. Standards in Earlsmead Primary School remain very strong. At KS2, 36 pupils out of 48 achieved the expected standard in reading. 35.4% achieved a higher standard in reading with a scaled score equal to or greater than 110, or equivalent TA result, a total of 17 pupils. This is an increase of .5% and represents approximately the same number achieving the expected standard in 2021 compared to 2020. 70.8% achieved the expected standard in maths, a total of 34 pupils. 35.4% achieved a higher standard in maths with a scaled score equal to or greater than 110, a total of 17 pupils.

Rooks Heath School recruited 225 students into Year 7 in September 2020 which reduced to 216 by July 2021. Attendance of at least 90% has been sustained during the pandemic which is well above average in the prevailing conditions with some occasional instances where attendance has dropped below 90%. This is in line with attendance across the country during the pandemic.

Earlsmead Primary School has recruited 40 pupils into its Reception year group as well as extra pupils in to other year groups, and 11 into the new Nursery. This represents growth of 11% on the school roll including the Nursery, and 6% growth withing the existing year groups. Attendance at Earlsmead Primary School continues to be strong even during the pandemic. The year end figure of 93.7% exceeds the COVID attendance target of 92%.

Going Concern

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

In making this statement the Board of Trustees have taken into due consideration the effects upon the Trust of the COVID-19 pandemic, the partial closure of some year groups during the period and the remaining changes in practices introduced from the 2020 Autumn term.

Further consideration on the Trust's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.2.

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2021 the Trust received £10,788,527 of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust’s primary objective of the provision of education. During the year the Trust spent a total of £10,398,346 including capital projects. The Trust brought forward from 19/20, £292,171 of restricted funds and £212,773 of unrestricted. The carry forward for 20/21 is £637,823 of restricted funds and £212,902 of unrestricted.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £7,233,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

A breakdown of income and expenditure can be seen below:

	Restricted General Funds	Unrestricted Funds	Fixed Asset Fund	Pension Reserve	Total
Incoming Resources	10,699,616	12,937	75,974	-	10,788,527
Resources Expended	(10,235,538)	(12,808)	(31,574)	-	(10,279,920)
LGPS Charge	-	-	-	(1,033,000)	(1,033,000)
Depreciation	-	-	(452,388)	-	(452,388)
Employer contributions paid	-	-	-	475,000	475,000
Total Resources Expended	(10,235,538)	(12,808)	(483,962)	(558,000)	(11,290,308)
Assets Purchased from GAG	(118,426)	-	118,426	-	-
Actuarial Gains	-	-	-	(1,242,000)	(1,242,000)
Surplus / (Deficit) for the year	345,652	129	(289,562)	(1,800,000)	(1,743,781)
Balance at 1 September 2020	292,171	212,773	18,944,444	(5,433,000)	14,016,388
Balance at 31 August 2021	637,823	212,902	18,654,882	(7,233,000)	12,272,607

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the CFO and Finance Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £212,902. This has been built up from a mixture of locally raised income and balances transferred from the predecessor Schools.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2021 was £850,725.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £1,031,707. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure.

Investment Policy

An Investment Policy was approved by the Board of Trustees in February 2018.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudency in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust and the individual Schools are exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Audit and Risk Committee meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of Academy Schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored, and reported. Staff costs make up the majority of expenditure and are relatively stable with small contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable reliance on continued Government funding through the ESFA and whilst there has been a small injection of additional funding this will not be enough to counteract the rise of the minimum wage, Teachers' Pensions contribution rise and any other additional costs that the Government may choose to introduce;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of the Schools is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- Staffing - the success of the Schools is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;

- Fraud and mismanagement of funds - the Trustees have appointed Alliotts to carry out a programme of internal scrutiny which includes independent and external checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low;
- COVID-19 – the disruption to the Schools during the 2020/21 academic year brought a reduction in external income and a number of additional costs, none of which were recoverable from Government. Autumn term 2020 opened with new restrictions around class sizes and social distancing among other things; several of these measures remain in place. The risk of a School having to close due to localised infections has been mitigated by extensive risk assessment planning and amended working practices;
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any School ceasing to exist the main risk to the Trust is the annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Trust only held small fundraising events during the year including a Save the Children Christmas jumper day, a Red Nose Day, a Poppy appeal, a Mind collection and contributions to a local Food Bank. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events. All fundraising undertaken during the year was monitored by the Trustees.

Plans for Future Periods

The Trust's key objectives for 2021/22 are to continue the progress and development of all within the Trust, sharing good practice across the Trust. Trustees are working with senior leaders to ensure that outstanding practice, attainment, and achievements will strengthen foundations, providing a secure platform for further growth.

The next stage of the Trust growth centres around the developing the newly opened nursery within Earlsmead Primary School, as week as expanding the Trust to include a further school.

The addition of the nursery enhances the offer within the primary school as well as the Trust, providing a valuable resource for the local community. The new nursery will also contribute to the security and stability of the primary school, and therefore to the Trust.

The successful opening of a nursery and continuing the drive to raise standards and achievement for children across all key stages will be vital when liaising with the DfE and Regional Schools Commissioner over expanding the Trust to welcome a further School.

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

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

These core aims will continue to provide a focus at Trust level for ongoing monitoring and review, ensuring that value for money is provided to learners and the wider community.

Funds Held as Custodian Trustee on Behalf of Others

The Trust does not hold any funds on behalf of others.

Provision of Information to Auditors

Insofar as the Trustees are aware there is no relevant audit information of which the Charitable Company's Auditors are unaware, and the Trustees have taken all the 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.

Auditors

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2021 and signed on its behalf by:

P Hughes
Chair

GOVERNANCE STATEMENT

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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Trust 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 at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Hughes, Chair of Trustees	6	6
J Reavley, Accounting Officer	6	6
S Savva	5	6
P Katbamna	3	6
N Roger	5	6
R Tullo	5	6
K McEwan	5	6

Review of year:

No review of the 2020/21 year would be complete without acknowledging the continued trying and difficult circumstances that have been faced by the Board as well as the rest of the Trust community in the midst of the global COVID-19 pandemic. The Board has been fortunate in that membership has remained stable and attendance has been strong throughout the 2020/21 academic year. The Board has continued to operate successfully, providing challenge and support which has allowed Schools to function and deliver outstanding education and care.

Meetings have been held twice a term in line with the Scheme of Delegation. All meetings have been held on Microsoft Teams during the pandemic and have been well attended. In this academic year the membership of the Board of Trustees has remained the same and no ‘gaps in knowledge or expertise’ have been identified during meetings or follow up work.

Board meeting agendas follow a similar format for each meeting and advisors attend to assist in the presentation of data and answer questions from Trustees. The foci at meetings have been the Trust and Schools’ performance, finance and premises, human resources, safeguarding and risk management. The Board challenges and monitors the performance of each School and ensures that Trust resources are managed effectively and within the parameters of company and charity law as well as Funding Agreements.

In addition, the Board has an Audit and Risk Committee that meets three times a year in line with the Scheme of Delegation to monitor ‘risks’ more closely and consider the programme of internal scrutiny work for the coming year.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Committee maintains an oversight of the Trust's governance and value for money framework and advises the Board on the adequacy and effectiveness of systems and frameworks. The Committee also reviews the performance of Internal and external Auditors, discusses with management and recommends their continued appointment or otherwise. The Accounting Officer, Chief Finance Officer, and Finance Manager attend the Audit and Risk meetings.

The Accounting Officer has delegated responsibility for ensuring that financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to the Board through the Funding Agreements.

Data reviewed at meetings consists of prime documentation, reports compiled by senior leaders, and verbal deliveries by school staff. This combination provides excellent and varied information which enables the Board to effectively monitor, review, challenge, and support.

Despite the pandemic, visits by Trustees and Governors have continued both in person where appropriate and online. The Chair has continued to hold online meetings with the CEO, CFO, and Headteachers.

Lead Trustee roles have been developed. These roles are supportive as well as a mechanism for accountability, ensuring that there is a governance contribution to the vision, ethos, and strategy of the relevant school.

Training has been delivered through attendance of appropriate staff at governance meetings. Online training has also been made available with Governors and Trustees updating their safeguarding training online.

A joint Local Governing Body operates within the Trust, setting the curriculum and monitoring standards. The Local Governing Body is also responsible for setting the school improvement plans and monitoring implementation. The Local Governing Body has continued its programme of work and met six times during the year.

The Trust's governance arrangements are outlined in its Memorandum and Articles of Association together with the Funding Agreement with the Department for Education. Arrangements are further described in its Scheme of Delegation. The Board has agreed a range of policies that assist with the practical obligation of statutory obligations.

Governance reviews:

The Trust is fortunate in having experienced and committed Trustees, allowing the Board to provide strong and robust strategic leadership and governance arrangements. A review of the effectiveness of the Board took place in the summer term, with a report being made to Trustees and Members. The Trust Improvement Plan and Trust Self Evaluation Form are monitored regularly at Board meetings and presented annually to Members. Skills are monitored by way of an annual skills audit. This audit was reviewed and used to inform training needs.

It is considered that the Board has worked effectively throughout the year in overseeing the operation of the Trust whilst providing support to senior leaders in maintaining school improvement.

A review of the Local Governing Body was carried out in the summer 2021 term by the Chair of Trustees, with a report presented to Members and Trustees. Again, it is considered that the Local Governing Body effectively carried out its programme of work.

Trustees and Governors have a shared understanding of the Trust and individual school priorities, and how these are being addressed. It is clear from governance visits and meetings, particularly information contained within reports from the CEO, Headteachers, and monthly accounts reports that great progress has been made in addressing improvement priorities. Data on pupil progress and attainment highlights how different groups of children perform, and allows challenge over the use of particular funding streams in narrowing the gap. Minutes from meetings and monitoring visits clearly show challenge and in-depth discussion. Clear evidence exists in these documents of challenge and robust accountability.

Governance (continued)

Trustees are involved in the performance appraisal cycle through the Pay Review Panel. This process is a supportive and positive mechanism to promote school improvement, befitting of the positive and inclusive ethos of the Trust. Data submitted to the Pay Review Panel evidences the effectiveness of Trust strategy in relation to professional development opportunities.

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. It will report its findings annually to the Board of Trustees and the Accounting Officer as part of the Trust's annual reporting requirements.

The duties of the Audit and Risk Committee are 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 and risk 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 during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Tullo	3	3
S Sawa	3	3
J Reavley	3	3

Review of value for money

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

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

- Efficiency through support for Headteachers and senior leaders across the Trust. Through regular meetings the across the Trust, the Accounting Officer has provided support, advice and challenge to senior leaders to ensure that prompt and considered actions are carried out in the best interests of the Trust community.
- Economy through development of the central service provision. A review of central services was undertaken with subsequent plans to develop skills, capacity, and resilience of central staff and teams. Capacity for growth is key to the ongoing plan for Trust stability.
- Effectiveness through development of marketing. The introduction of the nursery has been central to the overall marketing strategy within the community with the aim of Rooks Heath School and Earlsmead Primary School becoming the schools of choice for local families. Admission numbers have been solid which cements financial security.

The plans for cross Trust collaboration over training opportunities remain an ongoing priority once conditions allow. This will enhance the sense of Trust identity and belonging, and ensure support from high-quality subject and management experts.

Plans for governance development opportunities will continue in order to maximise governance succession planning options, and to strengthen skills and knowledge for the Trust.

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 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 year 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided to buy-in an internal audit service from Alliotts

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- Payroll processes
- Capital Projects processes
- Risk Assessment

On a termly basis, the Internal Auditor reports to the Board of Trustees, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an Annual Summary Report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work. Minor observations were made regarding cashflow forecast reporting and communication with the payroll provider which the Trust has noted and made adjustments to ensure best practices can be maintained.

Review of effectiveness

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

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 13 December 2021 and signed on their behalf by:

P Hughes
Chair

J Reavley
Accounting Officer

TITHE ACADEMY

(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Tithe Academy I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 2020.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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

Date: 13 December 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2021 and signed on its behalf by:

P Hughes
Chair

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TITHE ACADEMY

Opinion

We have audited the financial statements of Tithe Academy (the 'Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our Report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this Report.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TITHE ACADEMY (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the 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 our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the 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 financial statements 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 Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trust or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TITHE ACADEMY (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment..

- We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.

- We reviewed minutes of Trustee meetings and other relevant sub-committees of the Board and agreed the financial statement disclosures to underlying supporting documentation.

- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.

- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our Report

This Report is made solely to the Trust'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 Trust's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Gary Miller (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

14 December 2021

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

In accordance with the terms of our engagement letter dated 6 April 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tithe Academy during the year 1 September 2020 to 31 August 2021 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 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 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required or financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Price Bailey LLP

Date: 14 December 2021

TITHE ACADEMY

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	27,340	75,974	103,314	255,182
Charitable activities	4	-	10,524,463	-	10,524,463	9,874,818
Other trading activities	5	12,808	147,813	-	160,621	173,986
Investments	6	129	-	-	129	701
Total income		12,937	10,699,616	75,974	10,788,527	10,304,687
Expenditure on:						
Charitable activities	7	12,808	10,793,538	483,962	11,290,308	10,796,684
Total expenditure		12,808	10,793,538	483,962	11,290,308	10,796,684
Net income / (expenditure)		129	(93,922)	(407,988)	(501,781)	(491,997)
Transfers between funds	19	-	(118,426)	118,426	-	-
Net movement in funds before other recognised gains/(losses)		129	(212,348)	(289,562)	(501,781)	(491,997)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(1,242,000)	-	(1,242,000)	(274,000)
Net movement in funds		129	(1,454,348)	(289,562)	(1,743,781)	(765,997)
Reconciliation of funds:						
Total funds brought forward		212,773	(5,140,829)	18,944,444	14,016,388	14,782,385
Net movement in funds		129	(1,454,348)	(289,562)	(1,743,781)	(765,997)
Total funds carried forward		212,902	(6,595,177)	18,654,882	12,272,607	14,016,388

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 54 form part of these financial statements.

TITHE ACADEMY

(A Company Limited by Guarantee)
REGISTERED NUMBER: 07687178

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	14		2,939		5,877
Tangible assets	15		18,651,943		18,938,567
			18,654,882		18,944,444
Current assets					
Debtors	16	349,480		436,914	
Cash at bank and in hand		1,031,707		697,137	
		1,381,187		1,134,051	
Creditors due within one year	17	(506,748)		(598,618)	
Net current assets			874,439		535,433
Total assets less current liabilities			19,529,321		19,479,877
Creditors due after more than one year	18		(23,714)		(30,489)
Net assets excluding pension liability			19,505,607		19,449,388
Defined benefit pension scheme liability	26		(7,233,000)		(5,433,000)
Total net assets			12,272,607		14,016,388
Funds of the Trust					
Restricted funds:					
Fixed asset funds	19	18,654,882		18,944,444	
Restricted income funds	19	637,823		292,171	
Pension reserve	19	(7,233,000)		(5,433,000)	
Total restricted funds			12,059,705		13,803,615
Unrestricted income funds	19		212,902		212,773
Total funds			12,272,607		14,016,388

The financial statements on pages 25 to 54 were approved by the Trustees, and authorised for issue on 13 December 2021 and are signed on their behalf, by:

P Hughes
Chair

TITHE ACADEMY

(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	21	428,068	264,683
Cash flows from investing activities	23	(86,723)	145,759
Cash flows from financing activities	22	(6,775)	(6,775)
Change in cash and cash equivalents in the year		334,570	403,667
Cash and cash equivalents at the beginning of the year		697,137	293,470
Cash and cash equivalents at the end of the year	24, 25	1,031,707	697,137

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

The Trust is a company limited by guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Trust's registered office is Eastcote Lane, South Harrow, Harrow, HA2 9AH.

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Tithe Academy meets the definition of a public benefit entity under FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Going concern

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

The Trust derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this Report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

1. Accounting policies (continued)

1.3 Income

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

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 year for which it is receivable and any abatement in respect of the year 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 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.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1. Accounting policies (continued)

1.6 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Intangible assets

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 assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Computer software	-	5 years

1.8 Tangible fixed assets

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 25-122 years
Furniture and equipment	- 5-25 years
Computer equipment	- 3-4 years

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. Accounting policies (continued)

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 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 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.

1.12 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases 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 notes 17 and 18. 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.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1. Accounting policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 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 Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.15 Fund accounting

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Trustees make 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 26, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

3. Income from donations and capital grants

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	27,340	44,400	71,740	47,394
Capital grants	-	31,574	31,574	207,788
	27,340	75,974	103,314	255,182
Total 2020	47,394	207,788	255,182	

In 2020, income from donations was £47,394, all of which was restricted.

In 2020, income from captial grants was £207,788, all of which was attributable to restricted fixed asset funds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,986,294	8,986,294	8,458,829
Other DfE/ESFA grants				
Rates relief	-	37,665	37,665	37,400
Pupil premium	-	402,357	402,357	423,879
Free school meals	-	75,469	75,469	57,183
Teachers Pension Grant	-	294,891	294,891	294,222
Teachers Pay Grant	-	104,364	104,364	104,127
Sports premium	-	18,600	18,600	19,030
Summer school income	-	20,685	20,685	-
Tuition Funding	-	4,253	4,253	-
Year 7 catch up	-	-	-	20,462
	-	-	9,944,578	9,415,132
Other Government grants				
Local Authority grants	-	437,975	437,975	437,044
	-	437,975	437,975	437,044
COVID-19 additional funding (DfE/ESFA)				
Catch up premium	-	106,720	106,720	-
Other DfE/ESFA Covid-19 funding	-	35,190	35,190	-
	-	141,910	141,910	-
Other income				
Catering Income	-	-	-	22,642
	-	-	-	22,642
	-	10,524,463	10,524,463	9,874,818
Total 2020	22,642	9,852,176	9,874,818	

4. Funding for the Academy Trust's educational operations (continued)

In 2020, income from DfE / ESFA grants was £9,415,132, all of which was restricted

In 2020, income from other Government grants was £437,044, all of which was restricted.

In 2020, catering income was £22,642, all of which was unrestricted.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the Trust's funding for Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	12,808	-	12,808	21,166
Other income	-	147,813	147,813	152,820
	12,808	147,813	160,621	173,986
Total 2020	21,166	152,820	173,986	

In 2020, rental income was £21,166, all of which was unrestricted.

In 2020, other income was £152,820, all of which was restricted.

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest	129	129	701
Total 2020	701	701	

In 2020, interest received was £701, all of which was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Costs of educational operations:					
Direct costs	6,975,270	-	302,167	7,277,437	7,671,496
Support costs	2,109,077	1,096,884	806,910	4,012,871	3,125,188
	9,084,347	1,096,884	1,109,077	11,290,308	10,796,684
Total 2020	8,664,477	1,144,827	987,380	10,796,684	

In 2020, of total expenditure £12,866 was on unrestricted funds, £10,153,489 was on restricted funds and £630,329 was on restricted fixed asset funds.

In 2020, direct costs consisted of £7,216,062 staff costs and £455,434 other costs.

In 2020, support costs consisted of £1,448,415 staff costs, £1,144,827 premises costs and £531,946 other costs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

8. Charitable Activities

	2021 £	2020 £
Direct costs	7,277,437	7,671,496
Support costs	4,012,871	3,125,188
Total	11,290,308	10,796,684

	2021 £	2020 £
Analysis of support costs		
Staff costs	2,109,077	1,429,548
Depreciation and amortisation costs	452,388	422,541
Technology costs	175,589	65,741
Premises costs	644,496	722,286
Other costs	604,299	318,471
Governance costs	24,440	160,276
Legal costs	2,582	6,325
Total	4,012,871	3,125,188

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	10,274	10,087
Depreciation of tangible fixed assets	449,450	419,602
Amortisation of intangible assets	2,938	2,939
Fees paid to Auditors for:		
- audit	9,755	9,250
- other services	6,245	7,745

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	6,277,225	6,067,509
Social security costs	599,959	605,671
Pension costs	1,809,434	1,735,002
	8,686,618	8,408,182
Agency staff costs	397,729	237,428
Staff restructuring costs	-	18,867
	9,084,347	8,664,477

Staff restructuring costs comprise:

Severance payments	-	18,867

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

Included in staff restructuing costs are non-statutory/non-contractual severance payments totaling £NIL (2020 - 9,450).

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	89	95
Administration and support	113	115
Management	9	7
	211	217

10. Staff (continued)

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	7	3
In the band £70,001 - £80,000	5	4
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	1

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. 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 Trust was £437,016 (2020 - £422,850). As referenced in note 30, of this figure, £29,820 (2020 - £43,550) has been recharged to The Harrow Alternative Provision Academy Trust for the secondment of the Accounting Officer.

Employer National Insurance contributions included within key management personnel remuneration was £41,950 (2020 - £40,073).

Employer pension contributions included within key management personnel remuneration was £55,932 (2020 - £53,997).

11. Central services

No central services were provided by the Trust to its Academies during the year and no central charges arose.

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The CEO and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021 £	2020 £
J Reavley, CEO	Remuneration	90,000 - 95,000	90,000 - 95,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

13. Trustees' and Officers' insurance

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

14. Intangible assets

	Computer software £
Cost	
At 1 September 2020	14,692
At 31 August 2021	14,692
Amortisation	
At 1 September 2020	8,815
Charge for the year	2,938
At 31 August 2021	11,753
Net book value	
At 31 August 2021	2,939
At 31 August 2020	5,877

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	20,040,987	1,672,389	419,364	22,132,740
Additions	-	17,184	145,642	162,826
Disposals	-	-	(112,870)	(112,870)
At 31 August 2021	20,040,987	1,689,573	452,136	22,182,696
Depreciation				
At 1 September 2020	2,144,596	657,835	391,742	3,194,173
Charge for the year	321,351	90,722	37,377	449,450
On disposals	-	-	(112,870)	(112,870)
At 31 August 2021	2,465,947	748,557	316,249	3,530,753
Net book value				
At 31 August 2021	17,575,040	941,016	135,887	18,651,943
At 31 August 2020	17,896,391	1,014,554	27,622	18,938,567

16. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	44,436	45,967
Other debtors	249	5,760
Prepayments and accrued income	235,290	321,206
VAT recoverable	69,505	63,981
	349,480	436,914

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	6,775	6,775
Trade creditors	108,074	62,222
Other taxation and social security	154,578	136,250
Other creditors	162,178	152,819
Accruals and deferred income	75,143	240,552
	506,748	598,618

	2021 £	2020 £
Deferred income at 1 September 2020	144,084	107,569
Resources deferred during the year	30,511	144,084
Amounts released from previous periods	(144,084)	(107,569)
	30,511	144,084

Balances in deferred income relate to funding received in advance of the 2021/22 financial year from the ESFA.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

18. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Other loans	23,714	30,489

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Other loans	6,775	6,775
Between two and five years		
Other loans	16,939	20,326
Over five years		
Other loans	-	3,388

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2021 £	2020 £
Payable or repayable by instalments	-	3,388

Included with other loans due both within and more than one year is a Salix loan of £30,489 (2020 - £37,264) from the ESFA which is provided interest-free and is repayable in equal, twice-yearly instalments over 8 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	212,773	12,937	(12,808)	-	-	212,902
Restricted general funds						
General Annual Grant (GAG)	292,171	8,986,294	(8,522,216)	(118,426)	-	637,823
Other DfE / ESFA grants	-	1,100,194	(1,100,194)	-	-	-
Other Government grants	-	437,975	(437,975)	-	-	-
Other restricted funds	-	147,813	(147,813)	-	-	-
Restricted donations	-	27,340	(27,340)	-	-	-
Pension reserve	(5,433,000)	-	(558,000)	-	(1,242,000)	(7,233,000)
	(5,140,829)	10,699,616	(10,793,538)	(118,426)	(1,242,000)	(6,595,177)
Restricted fixed asset funds						
Restricted fixed assets	18,944,444	44,400	(452,388)	118,426	-	18,654,882
Devolved Formula Capital	-	31,574	(31,574)	-	-	-
	18,944,444	75,974	(483,962)	118,426	-	18,654,882
Total Restricted funds	13,803,615	10,775,590	(11,277,500)	-	(1,242,000)	12,059,705
Total funds	14,016,388	10,788,527	(11,290,308)	-	(1,242,000)	12,272,607

19. Statement of 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 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 Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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 Trust's activities that are not funded through the General Annual Grant.

Other Government grants: This fund has also arisen from funding received from the Local Authority mainly for Special Educational Needs.

Other restricted funds / restricted donations: These restricted funds have arisen from other income that the Trust has received. The monies have to be used for the benefit of the Trust and there are restrictions on how these monies can be spent.

Pension reserve: This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS).

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

Devolved Formula Capital (DFC): This represents funding received from ESFA for the maintenance and improvement of the Trust’s buildings and facilities.

Condition Improvement Funding (CIF): This represents Conditional Improvement Funding received from the ESFA for specific capital projects.

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

19. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	181,130	44,509	(12,866)	-	-	212,773
Restricted general funds						
General Annual Grant (GAG)	-	8,458,829	(8,103,928)	(62,730)	-	292,171
Other DfE / ESFA grants	-	956,303	(956,303)	-	-	-
Other Government grants	-	437,044	(437,044)	-	-	-
Other restricted funds	-	152,820	(152,820)	-	-	-
Restricted donations	-	47,394	(47,394)	-	-	-
Pension reserve	(4,703,000)	-	(456,000)	-	(274,000)	(5,433,000)
	(4,703,000)	10,052,390	(10,153,489)	(62,730)	(274,000)	(5,140,829)
Restricted fixed asset funds						
Restricted fixed assets	19,304,255	-	(422,541)	62,730	-	18,944,444
DFC	-	32,047	(32,047)	-	-	-
CIF	-	175,741	(175,741)	-	-	-
	19,304,255	207,788	(630,329)	62,730	-	18,944,444
Total Restricted funds	14,601,255	10,260,178	(10,783,818)	-	(274,000)	13,803,615
Total funds	14,782,385	10,304,687	(10,796,684)	-	(274,000)	14,016,388

19. Statement of funds (continued)

Total funds analysis by Academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Rooks Heath School	726,024	371,335
Earlsmead Primary School	124,701	133,609
Total before fixed asset funds and pension reserve	850,725	504,944
Restricted fixed asset fund	18,654,882	18,944,444
Pension reserve	(7,233,000)	(5,433,000)
Total	12,272,607	14,016,388

Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Rooks Heath School	5,550,259	1,822,152	282,691	1,029,478	8,684,580	8,239,440
Earlsmead Primary School	1,425,011	286,925	19,476	421,928	2,153,340	2,134,703
Trust	6,975,270	2,109,077	302,167	1,451,406	10,837,920	10,374,143

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	18,651,943	18,651,943
Intangible fixed assets	-	-	2,939	2,939
Current assets	212,902	1,132,679	35,606	1,381,187
Creditors due within one year	-	(494,856)	(11,892)	(506,748)
Creditors due in more than one year	-	-	(23,714)	(23,714)
Provisions for liabilities and charges	-	(7,233,000)	-	(7,233,000)
Total	212,902	(6,595,177)	18,654,882	12,272,607

Analysis of net assets between funds - prior period as restated

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	18,938,567	18,938,567
Intangible fixed assets	-	-	5,877	5,877
Current assets	212,773	834,952	86,326	1,134,051
Creditors due within one year	-	(542,781)	(55,837)	(598,618)
Creditors due in more than one year	-	-	(30,489)	(30,489)
Provisions for liabilities and charges	-	(5,433,000)	-	(5,433,000)
Total	212,773	(5,140,829)	18,944,444	14,016,388

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

21. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(501,781)	(491,997)
Adjustments for:		
Amortisation	2,938	2,939
Depreciation	449,450	419,602
Capital grants from DfE and other capital income	(31,574)	(207,788)
Interest receivable	(129)	(701)
Donated assets	(44,400)	-
Pension adjustments	558,000	456,000
Decrease/(increase) in debtors	87,434	(120,672)
(Decrease)/increase in creditors	(91,870)	207,300
Net cash provided by operating activities	428,068	264,683

22. Cash flows from financing activities

	2021 £	2020 £
Repayments of Salix loan	(6,775)	(6,775)

23. Cash flows from investing activities

	2021 £	2020 £
Interest	129	701
Purchase of tangible fixed assets	(118,426)	(62,730)
Capital grants from DfE Group	31,574	207,788
Net cash (used in)/provided by investing activities	(86,723)	145,759

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,031,707	697,137

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Other non-cash changes £	At 31 August 2021 £
Cash at bank and in hand	697,137	334,570	-	1,031,707
Debt due within 1 year	(6,775)	6,775	(6,775)	(6,775)
Debt due after 1 year	(30,489)	-	6,775	(23,714)
	659,873	341,345	-	1,001,218

26. Pension commitments

The 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 Borough of Harrow. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £162,178 were payable to the schemes at 31 August 2021 (2020 - £147,255) and are included within creditors.

Teachers' Pension Scheme

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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

26. Pension commitments (continued)

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £921,149 (2020 - £896,140).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £596,000 (2020 - £577,000), of which employer's contributions totalled £475,000 (2020 - £463,000) and employees' contributions totalled £121,000 (2020 - £114,000). The agreed contribution rates for future years are 20.5 per cent for employers and 5.5-12.5 per cent for employees.

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.6	2.9
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

26. Pension commitments (continued)

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

	2021 Years	2020 Years
Retiring today		
Males	22.2	22.0
Females	24.6	24.3
Retiring in 20 years		
Males	23.5	23.1
Females	26.9	26.3

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(347)	(269)
Discount rate -0.1%	347	269
Mortality assumption - 1 year increase	612	474
Mortality assumption - 1 year decrease	(612)	(474)
CPI rate +0.1%	311	245
CPI rate -0.1%	(311)	(245)

Share of scheme assets

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

	2021 £	2020 £
Equities	5,906,000	4,930,000
Corporate bonds	1,214,000	832,000
Property	647,000	448,000
Cash and other liquid assets	323,000	192,000
Total market value of assets	8,090,000	6,402,000

The actual return on scheme assets was £1,215,000 (2020 - £280,000).

26. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	937,000	829,000
Interest income	(113,000)	(107,000)
Interest cost	209,000	197,000
Total amount recognised in the Statement of Financial Activities	1,033,000	919,000

Changes in the present value of the defined benefit obligations were as follows:

	2021 £	2020 £
At 1 September	11,835,000	10,365,000
Current service cost	937,000	829,000
Interest cost	209,000	197,000
Employee contributions	121,000	114,000
Actuarial losses	2,344,000	447,000
Benefits paid	(123,000)	(117,000)
At 31 August	15,323,000	11,835,000

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	6,402,000	5,662,000
Interest income	113,000	107,000
Actuarial gains	1,102,000	173,000
Employer contributions	475,000	463,000
Employee contributions	121,000	114,000
Benefits paid	(123,000)	(117,000)
At 31 August	8,090,000	6,402,000

27. Operating lease commitments

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	12,355	8,657
Later than 1 year and not later than 5 years	11,455	7,777
	23,810	16,434

28. Members' liability

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

29. Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, the Trust seconded the Accounting Officer to The Harrow Alternative Provision Academy Trust for which recharges of £29,280 (2020 - £43,550) were made. In addition, payments of £36,000 (2020 - £36,000) were made to The Harrow Alternative Provision Academy Trust in relation to student placement fees.

The sister and sister-in-law of K McEwan, a Trustee, are employed within the Trust as clerk to the Board and as a teacher respectively. Their appointments were made in open competition and K McEwan was not involved in the decision-making process regarding either appointment. They are paid within the normal pay scale and market rate for their roles and receive no special treatment as a result of their relationship to a Trustee.

In entering into these transactions, the Trust has complied with the requirements of the Academies Financial Handbook 2020.