

**TITHE ACADEMY**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

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**TITHE ACADEMY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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 2020. 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 academies ("the Academies" or "the Schools") serving Catchment Areas in Harrow. The Academies have a combined pupil capacity of 1680 and had a roll of 1480 in the October 2020 census.

### **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).

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**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 is approved by the appropriate sub-committee and ratified by the Board of Trustees.

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**TRUSTEES' REPORT (CONTINUED)**  
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**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 30, 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.

**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;
- School and Trust self-assessment forms which are robustly evaluated by senior leaders and Trustees;
- School improvement plans and the Trust development plan;
- Evaluations in CEO and Headteachers' reports to Board of Trustees and Local Governing Body
- Internal 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.

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**TRUSTEES' REPORT (CONTINUED)**  
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## **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:

- 87% of EYFS pupils met the expected level in Numeracy;
- 80% of EYFS pupils met the expected level in Reading and Writing;
- 80% of EYFS pupils met the Good Level of Development (GLD);
- 36% of pupils in year 6 achieved Greater Depth in Reading, an increase of 13% on the previous year;
- 60% (3/5) of the pupils in year 6 achieved Greater Depth in Spelling, Punctuation and Grammar;
- 71% of pupils in year 6 achieved expected or above in Reading, Writing and Maths combined;
- 84% of Year 6 pupils met the expected level in Spelling, Punctuation and Grammar;
- 88% of KS5 students received A\* - C, 100% received A\* - E;
- Average value added score for KS5 academics of +0.63 and +0.01 in vocational;
- 100% pass rate in vocational subjects;
- 0% NEET; students succeeded in moving on to their next steps in education, training, and employment including gaining places at Russell Group universities;
- 72% G4 and above for GCSE English;
- 68% G4 and above for GCSE Maths;
- Average Progress 8 score of +0.13;
- Above average rates of EBacc entry (66% of students) demonstrating high aspirations;
- Alumni students returning to be of service to Schools;
- Over 20 successful and safe recruitment drives during lockdown; and
- Continued online professional development opportunities for staff, including safeguarding.

### **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 2019 were 1,483 against a budget of 1,500. A further KPI is staffing costs as a percentage of total recurring income. For 2019/20 this was 80% for Rooks Heath School and 84% 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**

Earlsmead Primary School was awarded Good at inspection. This realised the core Trust objective that all Schools within the Trust are deemed at least Good by Ofsted.

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Both Schools performed well in externally assessed indicators, with 100% of students achieving a pass at the end of KS5, 68.2% achieving the EBacc at KS4, and 73% of primary pupils reaching the expected standard in Reading, Writing, and Maths combined.

Rooks Heath School recruited 225 students into Year 7 and remains oversubscribed. Attendance of 90% has been achieved during the pandemic which is well above average in the prevailing conditions. The usual attendance trend remains 95%.

Attendance at Earlsmead Primary School continues to be above pre-COVID national average at 96.16%.

### **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 the Schools during the period and the 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 2020 the Trust received £10,304,687 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 £9,980,873 including capital projects. The Trust brought forward from 18/19, £NIL of restricted funds and £181,130 of unrestricted. The carry forward for 19/20 is £292,171 of restricted funds and £212,773 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 £5,433,000. 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.

### **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 £212,773. 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 2020 was £504,944.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £697,137. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure.



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**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 prudence 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 Price Bailey to carry out a programme of internal scrutiny which includes independent and external checks on financial systems and records as required by the Academy Financial 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;

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- COVID-19 – the disruption to the Schools during the 2019/20 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. The risk of a School having to close due to localised infections has been mitigated by extensive risk assessment planning and amended working practices; and
- 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 and Red Nose Day. 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 2020/21 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 opening of a nursery within Earlsmead Primary School. This change will enhance 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.

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**TRUSTEES' REPORT (CONTINUED)**  
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**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 the Board of Trustees on 15 December 2020 and signed on its behalf by:

**P Hughes**  
Chair of Trustees

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**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 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 5 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	5	5
J Reavley, Accounting Officer	5	5
S Savva	4	5
P Katbamna	3	5
N Roger	4	5
R Tullo	5	5
K McEwan	4	5

Despite meeting fewer than six times during the year, the Board is satisfied that through these meetings plus the use of sub-committees it maintains effective oversight.

Review of year:

No review of the year would be complete this year without acknowledging at the outset the most trying and difficult circumstances that have been faced by our Schools in continuing to deliver an education and services to all of our students and the wider community in the midst of the global pandemic. During this time the Board of Trustees has been a keenly supportive critical friend to the senior leaders in both Schools, having due regard for expectations balanced against practicalities. Governance meetings have continued online with very strong attendance. Resources have been made available online which has allowed high quality documentation and robust data to be shared with minimum difficulty and cost.

The Board has continued its broad agenda in line with expectations set out in the Scheme of Delegation:

- Setting the vision and strategy for the Trust;
- Ensuring the quality of educational provision within the Trust;
- Challenging and monitoring the performance of each School within the Trust;
- Managing the Trust's resources effectively;
- Ensuring that the Trust complies with charity and company law;
- Ensuring that the Trust and each School complies with the Funding Agreements; and
- Exercising reasonable skill and care in carrying out its duties.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

More specifically the Board worked with leaders to ensure that Earlsmead Primary School was Ofsted ready, with Governors and Trustees being able to evidence support for the School and compliance with all statutory duties. These efforts were rewarded in February 2020 and the School was rated 'Good'. It was an outstanding achievement to move from a Grade 4 to a Grade 2 in just 2 years.

It is considered that the Board has worked effectively in 2019-20 overseeing the operation of the Trust and supporting the senior leadership of both Schools to maintain stability in terms of staff turnover and pupil numbers and bring about improvement in standards.

The composition of the Board has remained unchanged during the year, providing valuable governance stability during such uncertain times.

Governance reviews:

Despite the COVID-19 pandemic, meetings have been held twice a term in line with the Scheme of Delegation, although the second Spring term meeting was cancelled due to the pandemic. From Easter onwards all meetings have been held online using Microsoft Teams. 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 the course of meetings or follow up work.

Agendas follow a similar format for each meeting and advisors including the Headteachers attend to assist in the presentation of data and answer questions from Trustees. The focus at meetings has been Schools' performance, finance and premises, human resources, safeguarding and risk management. The latter half of the year has focussed on agenda items to ensure that the Board meets its statutory duties and obligations, and on the arrangements in Schools to cope with the COVID-19 pandemic and reduce risk to all in the School community whilst continuing to deliver services to students and their families.

The evidence base for the governance review includes:

- Minutes of governance meetings;
- Monitoring reports;
- Ofsted Inspection Report;
- Schemes of Delegation and Terms of Reference;
- CEO and Headteacher Reports;
- Monthly accounts reports;
- Audit and regularity reports;
- Performance appraisal information; and
- Schools and Trust development plans.

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 (which were carried out pre-lockdown) 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.

The strategic vision is set by the Board of Trustees. Trustee involvement is captured within minutes of meetings, which also evidence how the vision, values and ethos determine how business is conducted throughout the Trust.

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.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

The Trust is clearly well supported by highly skilled and dedicated Trustees and Governors. Meetings are well attended which ensures robust monitoring of School performance.

There is clear articulation of roles and responsibilities through the Scheme of Delegation and Terms of Reference. This clarity has been instrumental in ensuring effective governance practice.

The Trust will continue the cycle of self-evaluation and will conduct the next review during the summer of 2021.

The Audit and Risk Committee is also 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	1	3

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**GOVERNANCE STATEMENT (CONTINUED)**

**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 for the Trust has delivered improved value for money during the year by:

- Developing middle leaders across the Trust. Staff development of middle leaders has been essential to the raising standards agenda. Targeted programmes of professional development have been delivered, linked to School improvement. This has resulted in a significant improvement in monitoring and evaluation by middle leaders which allowed for more efficient and effective targeting of resources. This has been key to driving up achievement for children across the Trust.
- Staffing and processes within non-student facing central service roles have been developed and strengthened in order to free up valuable time for other School staff including the Headteachers. These economies of scale allow Headteachers and other staff to concentrate on maximising achievements for all students, and achieve value for money.
- Enhancing the systems of pastoral care including the management of behaviour. The work of teams in both Schools has been harmonised to reflect the diverse needs of the student community. Evidence of value for money can be seen by the significant decreases in exclusions and negative behaviours. A greater emphasis is being placed on positive values and behaviours such as kindness and teamwork. Time saved through reduced behaviour management follow up has a positive effect on staff morale, student wellbeing, and boosts staff confidence.

Over the coming year, the Trust will focus on developing a relevant and dynamic marketing strategy to ensure that the Schools are the Schools of choice for local families. This strategy will include the launch of the nursery to the local community. The overarching Trust profile will also be improved to allow for clarity for any future School joining the Trust.

Cross Trust training opportunities are being explored to improve value for money and a greater sense of Trust identity and belonging.

Central services will continue to be reviewed and developed to provide maximum value and efficiency. This will include moving to a more effective financial software package with training for central service staff.

**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 2019 to 31 August 2020 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 ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**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;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The Board of Trustees has considered the need for a specific Internal Audit function and has decided to appoint Price Bailey as Internal Auditor.

During the 2019/20 year, Price Bailey undertook external Audit services as well as internal. Due to the revised Financial Reporting Council Ethical Standard published in December 2019, Allots have since been appointed to this role from September 2020, this also reflects the change to the Academies Financial Handbook 2020-21 regarding internal scrutiny. The Trust has been keen to demonstrate that Audit quality remains robust and that conflicts of interest are avoided during this transitional period. Internal scrutiny has been conducted independently and objectively by a suitably qualified individual. The work undertaken has been agreed by the Audit and Risk Committee. Internal Audit work is completely separate to external Audit work and has been carried out by separate individuals.

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

- Compliance with the Academies Financial Handbook "musts"; and
- Key financial controls.

On a bi-annual 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 a short 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.



**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**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 Auditor
- The financial management and governance self-assessment process or the School resource management self-assessment tool; and
- 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 15 December 2020 and signed on its behalf by:

**P Hughes**  
Chair of Trustees

**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 2019.

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 2019.

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: 16 December 2020

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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 2019 to 2020;
- 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 15 December 2020 and signed on its behalf by:

**P Hughes**  
Chair of Trustees

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

**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 2020 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 2019 to 2020 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 2020 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 2019 to 2020 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**

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

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

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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.

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

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

**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.

**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.

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

16 December 2020

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

**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 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

**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 Academies Accounts Direction 2019 to 2020 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 Academy complies with the framework of authorities.
- Evaluation of the general control environment of the Academy, 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 2019 to 31 August 2020 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: 16 December 2020



**TITHE ACADEMY**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	3	-	47,394	207,788	255,182	189,283
Charitable activities	4	22,642	9,852,176	-	9,874,818	9,196,518
Other trading activities	5	21,166	152,820	-	173,986	194,801
Investments	6	701	-	-	701	455
<b>Total income</b>		<b>44,509</b>	<b>10,052,390</b>	<b>207,788</b>	<b>10,304,687</b>	<b>9,581,057</b>
<b>Expenditure on:</b>						
Charitable activities	7	12,866	10,153,489	630,329	10,796,684	10,290,412
<b>Total expenditure</b>		<b>12,866</b>	<b>10,153,489</b>	<b>630,329</b>	<b>10,796,684</b>	<b>10,290,412</b>
<b>Net income / (expenditure)</b>		<b>31,643</b>	<b>(101,099)</b>	<b>(422,541)</b>	<b>(491,997)</b>	<b>(709,355)</b>
Transfers between funds	19	-	(62,730)	62,730	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>31,643</b>	<b>(163,829)</b>	<b>(359,811)</b>	<b>(491,997)</b>	<b>(709,355)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	27	-	(274,000)	-	(274,000)	(1,209,000)
<b>Net movement in funds</b>		<b>31,643</b>	<b>(437,829)</b>	<b>(359,811)</b>	<b>(765,997)</b>	<b>(1,918,355)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		181,130	(4,703,000)	19,304,255	14,782,385	16,700,740
Net movement in funds		31,643	(437,829)	(359,811)	(765,997)	(1,918,355)
<b>Total funds carried forward</b>		<b>212,773</b>	<b>(5,140,829)</b>	<b>18,944,444</b>	<b>14,016,388</b>	<b>14,782,385</b>

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

The notes on pages 26 to 52 form part of these financial statements.

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07687178**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	14	5,877	8,816
Tangible assets	15	18,938,567	19,295,439
		18,944,444	19,304,255
<b>Current assets</b>			
Debtors	16	436,914	316,242
Cash at bank and in hand		697,137	293,470
		1,134,051	609,712
Creditors due within one year	17	(598,618)	(391,318)
		535,433	218,394
<b>Net current assets</b>			
		19,479,877	19,522,649
<b>Total assets less current liabilities</b>			
Creditors due after more than one year	18	(30,489)	(37,264)
		19,449,388	19,485,385
<b>Net assets excluding pension liability</b>			
Defined benefit pension scheme liability	27	(5,433,000)	(4,703,000)
		14,016,388	14,782,385
<b>Total net assets</b>		14,016,388	14,782,385
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	18,944,444	19,304,255
Restricted income funds	19	292,171	-
Pension reserve	19	(5,433,000)	(4,703,000)
		13,803,615	14,601,255
<b>Total restricted funds</b>			
<b>Unrestricted income funds</b>	19	212,773	181,130
		14,016,388	14,782,385
<b>Total funds</b>		14,016,388	14,782,385

The financial statements on pages 23 to 52 were approved by the Trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:

**P Hughes**  
Chair

The notes on pages 26 to 52 form part of these financial statements.

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	21	264,683	(271,108)
<b>Cash flows from investing activities</b>	23	145,759	109,790
<b>Cash flows from financing activities</b>	22	(6,775)	2,150
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		403,667	(159,168)
Cash and cash equivalents at the beginning of the year		293,470	452,638
<b>Cash and cash equivalents at the end of the year</b>	24, 25	<hr/> <hr/> 697,137	<hr/> <hr/> 293,470

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**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 2019 to 2020 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.

Following the year end the Academy has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

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.

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**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 activities 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.

**TITHE ACADEMY**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**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
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**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**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.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**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 27, 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 2020. 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 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Donations	47,394	-	47,394	62,147
Capital grants	-	207,788	207,788	127,136
	<u>47,394</u>	<u>207,788</u>	<u>255,182</u>	<u>189,283</u>
Total 2019 as restated	<u>62,147</u>	<u>127,136</u>	<u>189,283</u>	

In 2019, income from donations was £62,147, all of which was restricted.

In 2019, income from capital grants was £127,136, all of which was attributable to restricted fixed asset funds.

This note has been restated from the prior year to reclassify income totalling £27,770 from restricted donations to other trading income to better reflect its true form.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**4. Funding for the Academy Trust's educational operations**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	8,458,829	8,458,829	8,025,394
Other DfE group grants	-	956,303	956,303	600,749
	-	9,415,132	9,415,132	8,626,143
<b>Other Government grants</b>				
Local Authority grants	-	437,044	437,044	570,375
	-	437,044	437,044	570,375
<b>Other funding</b>				
Catering income	22,642	-	22,642	-
	22,642	9,852,176	9,874,818	9,196,518
Total 2019 as restated	-	9,196,518	9,196,518	

In 2019, income from DfE / ESFA grants was £8,626,143, all of which was restricted

In 2019, income from other Government grants was £570,375, all of which was restricted.

This note has been restated from the prior year to more accurately categorise income and to eliminate elements of catering income against expenditure to better reflect its true form.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**5. Income from other trading activities**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Rental income	21,166	-	21,166	29,366
Other income	-	152,820	152,820	165,435
	<u>21,166</u>	<u>152,820</u>	<u>173,986</u>	<u>194,801</u>
Total 2019 as restated	<u>30,566</u>	<u>164,235</u>	<u>194,801</u>	

In 2019, rental income was £29,366, all of which was unrestricted.

In 2019, other income was £165,435, all of which was restricted.

As specified in Note 3, this note has been restated to reclassify income totalling £27,770 from restricted donations to other trading income to better reflect its true form. This note has also been restated from the prior year to eliminate elements of catering income against expenditure to better reflect its true form.

**6. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest	701	701	455
	<u>701</u>	<u>701</u>	<u>455</u>
Total 2019	<u>455</u>	<u>455</u>	

In 2019, interest received was £455, all of which was unrestricted.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**7. Expenditure**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	As restated Total 2019 £
Costs of educational operations:					
Direct costs	7,216,062	-	455,434	7,671,496	7,478,598
Support costs	1,448,415	1,144,827	531,946	3,125,188	2,811,814
	<u>8,664,477</u>	<u>1,144,827</u>	<u>987,380</u>	<u>10,796,684</u>	<u>10,290,412</u>
Total 2019 as restated	<u>8,338,832</u>	<u>935,446</u>	<u>1,016,134</u>	<u>10,290,412</u>	

In 2019, of total expenditure £39,287 was on unrestricted funds, £9,775,098 was on restricted funds and £476,027 was on restricted fixed asset funds.

In 2019, direct costs consisted of £6,957,088 staff costs and £521,510 other costs.

In 2019, support costs consisted of £1,381,744 staff costs, £935,446 premises costs and £494,624 other costs.

As referenced in notes 4 and 5 this note has been restated from the prior year.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**8. Charitable Activities**

	2020 £	As restated 2019 £
Direct costs	7,671,496	7,478,598
Support costs	3,125,188	2,811,814
<b>Total</b>	<b>10,796,684</b>	<b>10,290,412</b>

	2020 £	As restated 2019 £
<b>Analysis of support costs</b>		
Staff costs	1,429,548	1,381,744
Depreciation and amortisation costs	422,541	364,731
Technology costs	65,741	65,075
Premises costs	722,286	568,754
Other costs	318,471	271,890
Governance costs	160,276	157,136
Legal costs	6,325	2,484
<b>Total</b>	<b>3,125,188</b>	<b>2,811,814</b>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	10,087	4,704
Depreciation of tangible fixed assets	419,602	361,793
Amortisation of intangible assets	2,939	2,938
Loss on disposal of fixed assets	-	1,961
Fees paid to Auditors for:		
- audit	9,250	11,195
- other services	7,745	6,420
	<b>9,995</b>	<b>20,299</b>

**TITHE ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	As restated 2019 £
Wages and salaries	6,067,509	6,137,986
Social security costs	605,671	614,216
Pension costs	1,735,002	1,326,359
	<u>8,408,182</u>	<u>8,078,561</u>
Agency staff costs	237,428	260,271
Staff restructuring costs	18,867	-
	<u>8,664,477</u>	<u>8,338,832</u>

Staff restructuring costs comprise:

Severance payments	<u>18,867</u>	<u>-</u>
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**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £9,450 (2019 - £NIL).

**c. Staff numbers**

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

	2020 No.	2019 No.
Teachers	95	93
Administration and support	115	129
Management	7	10
	<u>217</u>	<u>232</u>

**TITHE ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**10. Staff (continued)**

**d. Higher paid staff**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	4	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	-	1
	-	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 £422,850 (2019 - £335,571). As referenced in note 30, of this figure, £43,550 (2019 - £56,988) has been recharged to The Harrow Alternative Provision Academy Trust for the secondment of the Accounting Officer.

**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 Trustee has been paid remuneration or has received other benefits from an employment with the Trust. The Chief Executive Officer only receives remuneration in respect of services provided, undertaking the role of Chief Executive Officer under a contract of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
J Reavley, Accounting Officer	Remuneration	90,000 -	125,000 -
		95,000	130,000
	Pension contributions paid	£NIL	£NIL

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**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 £
<b>Cost</b>	
At 1 September 2019	14,692
At 31 August 2020	14,692
<b>Amortisation</b>	
At 1 September 2019	5,876
Charge for the year	2,939
At 31 August 2020	8,815
<b>Net book value</b>	
At 31 August 2020	5,877
At 31 August 2019	8,816



**TITHE ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**15. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2019	20,040,987	1,615,009	414,014	22,070,010
Additions	-	57,380	5,350	62,730
At 31 August 2020	<u>20,040,987</u>	<u>1,672,389</u>	<u>419,364</u>	<u>22,132,740</u>
<b>Depreciation</b>				
At 1 September 2019	1,823,245	577,561	373,765	2,774,571
Charge for the year	321,351	80,274	17,977	419,602
At 31 August 2020	<u>2,144,596</u>	<u>657,835</u>	<u>391,742</u>	<u>3,194,173</u>
<b>Net book value</b>				
At 31 August 2020	<u>17,896,391</u>	<u>1,014,554</u>	<u>27,622</u>	<u>18,938,567</u>
At 31 August 2019	<u>18,217,742</u>	<u>1,037,448</u>	<u>40,249</u>	<u>19,295,439</u>

**16. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	45,967	28,491
Other debtors	5,760	249
Prepayments and accrued income	321,206	252,371
VAT recoverable	63,981	35,131
	<u>436,914</u>	<u>316,242</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**17. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Other loans	6,775	6,776
Trade creditors	62,222	41,954
Other taxation and social security	136,250	136,975
Other creditors	152,819	11,800
Accruals and deferred income	240,552	193,813
	598,618	391,318
	598,618	391,318
	2020 £	2019 £
Deferred income at 1 September 2019	107,569	141,116
Resources deferred during the year	144,084	107,569
Amounts released from previous periods	(107,569)	(141,116)
	144,084	107,569
	144,084	107,569

At the balance sheet date, included within deferred income were funds received in advance for SEN funding from the Local Authority and funds received from the ESFA relating to the following academic year.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

	2020 £	2019 £
Other loans	30,489	37,264
	<u>30,489</u>	<u>37,264</u>

Included within the above are amounts falling due as follows:

	2020 £	2019 £
<b>Between one and two years</b>		
Other loans	6,775	6,775
	<u>6,775</u>	<u>6,775</u>
<b>Between two and five years</b>		
Other loans	20,326	20,326
	<u>20,326</u>	<u>20,326</u>
<b>Over five years</b>		
Other loans	3,388	10,163
	<u>3,388</u>	<u>10,163</u>

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

	2020 £	2019 £
Payable or repayable by instalments	3,388	10,163
	<u>3,388</u>	<u>10,163</u>

Included with other loans due both within and more than one year is a Salix loan of £37,264 (2019 - £44,040) from the ESFA which is provided interest-free and is repayable in equal, twice-yearly instalments over 8 years.

**TITHE ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**19. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General Funds	181,130	44,509	(12,866)	-	-	212,773
<b>Restricted general funds</b>						
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)
	<u>(4,703,000)</u>	<u>10,052,390</u>	<u>(10,153,489)</u>	<u>(62,730)</u>	<u>(274,000)</u>	<u>(5,140,829)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed assets	19,304,255	-	(422,541)	62,730	-	18,944,444
Devolved Formula Capital	-	32,047	(32,047)	-	-	-
Condition Improvement Funding	-	175,741	(175,741)	-	-	-
	<u>19,304,255</u>	<u>207,788</u>	<u>(630,329)</u>	<u>62,730</u>	<u>-</u>	<u>18,944,444</u>
<b>Total Restricted funds</b>	<u>14,601,255</u>	<u>10,260,178</u>	<u>(10,783,818)</u>	<u>-</u>	<u>(274,000)</u>	<u>13,803,615</u>
<b>Total funds</b>	<u><u>14,782,385</u></u>	<u><u>10,304,687</u></u>	<u><u>(10,796,684)</u></u>	<u><u>-</u></u>	<u><u>(274,000)</u></u>	<u><u>14,016,388</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**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 2020.

**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:** This represents funding received from ESFA for the maintenance and improvement of the Trust's buildings and facilities.

**Condition Improvement Funding:** 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**19. Statement of funds (continued)**

**Total funds analysis by Academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	As restated 2019 £
Rooks Heath College	371,335	84,433
Earlsmead Primary School	133,609	96,697
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	504,944	181,130
Restricted fixed asset fund	18,944,444	19,304,255
Pension reserve	(5,433,000)	(4,703,000)
	<hr/>	<hr/>
<b>Total</b>	<b>14,016,388</b>	<b>14,782,385</b>
	<hr/> <hr/>	<hr/> <hr/>

**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 2020 £	Total 2019 £
Rooks Heath College	5,696,031	1,229,475	237,258	1,076,676	8,239,440	7,686,061
Earlsmead Primary School	1,520,031	200,073	48,379	366,220	2,134,703	2,239,621
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Trust</b>	<b>7,216,062</b>	<b>1,429,548</b>	<b>285,637</b>	<b>1,442,896</b>	<b>10,374,143</b>	<b>9,925,682</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**19. Statement of funds (continued)**

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

	Balance at 1 September 2018 £	As restated Income £	As restated Expenditure £	As restated Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	190,595	29,822	(39,287)	-	-	181,130
	<u>190,595</u>	<u>29,822</u>	<u>(39,287)</u>	<u>-</u>	<u>-</u>	<u>181,130</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	8,025,394	(8,025,394)	-	-	-
Other DfE / ESFA grants	-	600,749	(600,749)	-	-	-
Other Government grants	-	570,375	(570,375)	-	-	-
Other restricted funds	-	165,433	(165,433)	-	-	-
Restricted donations	-	62,147	(62,147)	-	-	-
Pension reserve	(3,143,000)	-	(351,000)	-	(1,209,000)	(4,703,000)
	<u>(3,143,000)</u>	<u>9,424,098</u>	<u>(9,775,098)</u>	<u>-</u>	<u>(1,209,000)</u>	<u>(4,703,000)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed assets	19,653,145	-	(366,692)	17,802	-	19,304,255
Devolved Formula Capital	-	94,137	(76,335)	(17,802)	-	-
CIF	-	33,000	(33,000)	-	-	-
	<u>19,653,145</u>	<u>127,137</u>	<u>(476,027)</u>	<u>-</u>	<u>-</u>	<u>19,304,255</u>
<b>Total Restricted funds</b>	<u>16,510,145</u>	<u>9,551,235</u>	<u>(10,251,125)</u>	<u>-</u>	<u>(1,209,000)</u>	<u>14,601,255</u>
<b>Total funds</b>	<u><u>16,700,740</u></u>	<u><u>9,581,057</u></u>	<u><u>(10,290,412)</u></u>	<u><u>-</u></u>	<u><u>(1,209,000)</u></u>	<u><u>14,782,385</u></u>

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**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	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)
<b>Total</b>	<u>212,773</u>	<u>(5,140,829)</u>	<u>18,944,444</u>	<u>14,016,388</u>

**Analysis of net assets between funds - prior period as restated**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	19,295,439	19,295,439
Intangible fixed assets	-	-	8,816	8,816
Current assets	181,130	380,903	47,679	609,712
Creditors due within one year	-	(380,903)	(10,415)	(391,318)
Creditors due in more than one year	-	-	(37,264)	(37,264)
Provisions for liabilities and charges	-	(4,703,000)	-	(4,703,000)
<b>Total</b>	<u>181,130</u>	<u>(4,703,000)</u>	<u>19,304,255</u>	<u>14,782,385</u>



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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(491,997)	(709,355)
<b>Adjustments for:</b>		
Amortisation	2,939	2,938
Depreciation	419,602	361,793
Capital grants from DfE and other capital income	(207,788)	(127,136)
Interest receivable	(701)	(456)
Pension adjustments	456,000	351,000
Increase in debtors	(120,672)	(5,769)
Increase/(decrease) in creditors	207,300	(146,084)
Loss on disposal of fixed assets	-	1,961
<b>Net cash provided by/(used in) operating activities</b>	<b>264,683</b>	<b>(271,108)</b>

**22. Cash flows from financing activities**

	2020 £	2019 £
Repayments of borrowing	(6,775)	2,150

**23. Cash flows from investing activities**

	2020 £	2019 £
Interest	701	456
Purchase of tangible fixed assets	(62,730)	(17,802)
Capital grants from DfE Group	207,788	127,136
<b>Net cash provided by investing activities</b>	<b>145,759</b>	<b>109,790</b>

**24. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	697,137	293,470

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**25. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	293,470	403,667	-	697,137
Debt due within 1 year	(6,776)	6,776	(6,775)	(6,775)
Debt due after 1 year	(37,264)	-	6,775	(30,489)
	<u>249,430</u>	<u>410,443</u>	<u>-</u>	<u>659,873</u>

**26. Contingent liabilities**

At year end, a compensation claim against one of the Schools was ongoing. It is considered to be contingent as it is an uncertain obligation which is not considered to be probable. There is not expected to be any financial effect as any cost arising would be covered by insurance.

**27. 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 2019 and of the LGPS 31 March 2019.

Contributions amounting to £147,255 were payable to the schemes at 31 August 2020 (2019 - £NIL) 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.

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**27. 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 £896,140 (2019 - £630,020).

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 2020 was £577,000 (2019 - £559,000), of which employer's contributions totalled £463,000 (2019 - £446,000) and employees' contributions totalled £114,000 (2019 - £113,000). 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**

	2020	2019
	%	%
Rate of increase in salaries	2.9	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8

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**27. 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:

	2020 Years	2019 Years
Retiring today		
Males	22.0	21.2
Females	24.3	23.5
Retiring in 20 years		
Males	23.1	22.3
Females	26.3	25.0

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.1%	(269)	(210)
Discount rate -0.1%	269	210
Mortality assumption - 1 year increase	474	415
Mortality assumption - 1 year decrease	(474)	(415)
CPI rate +0.1%	245	175
CPI rate -0.1%	(245)	(175)

**Share of scheme assets**

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

	2020 £	2019 £
Equities	4,930,000	4,473,000
Corporate bonds	832,000	793,000
Property	448,000	396,000
Cash and other liquid assets	192,000	-
<b>Total market value of assets</b>	<b>6,402,000</b>	<b>5,662,000</b>

The actual return on scheme assets was £280,000 (2019 - £427,000).

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**27. Pension commitments (continued)**

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

	2020 £	2019 £
Current service cost	829,000	670,000
Past service cost	-	36,000
Interest income	(107,000)	(140,000)
Interest cost	197,000	231,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>919,000</b>	<b>797,000</b>

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

	2020 £	2019 £
<b>At 1 September</b>	10,365,000	7,899,000
Current service cost	829,000	670,000
Interest cost	197,000	231,000
Employee contributions	114,000	113,000
Actuarial losses	447,000	1,496,000
Benefits paid	(117,000)	(80,000)
Past service costs	-	36,000
<b>At 31 August</b>	<b>11,835,000</b>	<b>10,365,000</b>

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

	2020 £	2019 £
<b>At 1 September</b>	5,662,000	4,756,000
Interest income	107,000	140,000
Actuarial gains	173,000	287,000
Employer contributions	463,000	446,000
Employee contributions	114,000	113,000
Benefits paid	(117,000)	(80,000)
<b>At 31 August</b>	<b>6,402,000</b>	<b>5,662,000</b>

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**28. Operating lease commitments**

At 31 August 2020 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	8,657	8,166
Later than 1 year and not later than 5 years	7,777	15,036
	<u>16,434</u>	<u>23,202</u>

**29. 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.

**30. 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 £43,550 (2019 - £56,988) were made. In addition, payments of £36,000 (2019 - £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 2019.