

**TITHE ACADEMY**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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

**CONTENTS**

	Page
<b>Reference and Administrative Details</b>	1
<b>Trustees' Report</b>	2 - 11
<b>Governance Statement</b>	12 - 19
<b>Statement on Regularity, Propriety and Compliance</b>	20
<b>Statement of Trustees' Responsibilities</b>	21
<b>Independent Auditors' Report on the Financial Statements</b>	22 - 25
<b>Independent Reporting Accountant's Report on Regularity</b>	26 - 27
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	28
<b>Balance Sheet</b>	29
<b>Statement of Cash Flows</b>	30
<b>Notes to the Financial Statements</b>	31 - 57

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

**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>Company name</b>	Tithe Academy
<b>Principal and registered office</b>	Tithe Academy Eastcote Lane South Harrow Harrow HA2 9AH
<b>Senior Leadership Team</b>	J Reavley, Chief Executive Officer J Lavery, CFO M Manderson, Headteacher at Rooks Heath School B Graham, 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 2022**

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 2022. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 1 primary and 1 secondary academy ("the Academies" or "the Schools") serving catchment areas in Harrow. The Academies have a combined pupil capacity of 1680 and had a roll of 1510 in the October 2021 census, plus 11 children in the Earlsmead Nursery.

## **Structure, Governance and Management**

### **Constitution**

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents. The Trustees of Tithe Academy are also the Directors of the Charitable Company for the purposes of company law. Within this Report the terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- Earlsmead Primary School
- Rooks Heath School

The operation of the Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Audit and Risk Committee. The Trust had one joint Local Governing Body (LGB) during the 2021/22 academic year which supported 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).

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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, and buys into specialist governance training provision which is available to all Trustees.

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 6 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 regularly to discuss emerging matters and to help to develop strategies for future development to be put to the Board of Trustees as required for approval.

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

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

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

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

**Trade Union Facility Time**

The Trust has no employees that are Trade Union Representatives.

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Related Parties and other Connected Charities and Organisations**

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

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

**Objectives and Activities**

**Objects and Aims**

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

**Objectives, Strategies and Activities**

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

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

Our success in fulfilling our aims can be measured through:

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

**Public Benefit**

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit. The wider impact of the Trust is demonstrated not only by external indicators including public examinations and by the continued success of both Schools, but also by the availability and use of school facilities out of hours at competitive rates to meet the needs of the wider community.

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

## **Strategic Report**

### **Achievements and Performance**

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

During the 2021/22 academic year the Trust educated approximately 1726 children between the ages of 3 and 19. It was a challenging year as the country adjusted to post lockdown life coupled with wider global issues including the war in Ukraine and nowhere has the trauma of these wide reaching events been more keenly felt than within our family of schools. The social and diverse landscape of our wider community has ensured that these issues have manifested in real and genuine local hardship and pain. Despite the adversity faced by so many of our families, continued success has been widely demonstrated on so many levels.

Specific achievements were as follows:

- 61% of EYFS pupils achieved a good level of development
- 67% of Y1 pupils working at the expected standard following the Phonics Screening Test
- 73% of KS2 pupils achieved the expected standard in Reading
- 73% of KS2 pupils achieved the expected standard in Maths
- Key Stage 2 progress in Writing was significantly above national and in the highest 20% in 2022
- Key Stage 2 progress in Maths was significantly above national and in the highest 20% in 2022
- Key Stage 2 attainment of the high standard in English grammar, punctuation and spelling test was significantly above national and in the highest 20% in 2022
- In Key Stage 2, middle prior attainers progress in reading was significantly above national and in the highest 20% in 2022
- Attainment of the expected standard in Reading, Writing, Maths was significantly above national in 2022
- In-line or above national standards at both KS1 and KS2 attainment in all subjects
- Top 4 percentile nationally for writing progress
- Top 14 percentile nationally for KS2 writing attainment at a greater depth standard
- KS2 girls attained higher than national standards across every subject (at both expected and greater depth)
- KS2 progress (from KS1) above national averages in all subjects
- 63% of KS4 students achieved a pass in one English
- 59% of KS4 students achieved a pass in Maths
- 51% of KS4 students achieved a pass in Maths and English
- 100% KS5 students achieved passes, with 23% at Distinction\*-Distinction / A\* / A equivalent
- 76% KS5 leavers secured university places including at Oxford, Queen Mary University and Kings College London
- 99% pass rate at BTEC Level 3 qualification
- 100% pass rate at WJEC Level 3 Diploma
- Alumni students returning to be of service to schools
- Continued professional development opportunities for staff including safeguarding
- Programme of site improvements undertaken
- Full governance schedule of work continued online and on site
- Highly successful safer recruitment drives during the academic year

### **Key Performance Indicators (KPI)**

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

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Financial**

As funding is based on pupil numbers this is a KPI. Pupil numbers for 2021 (October census) were 1474 against a budget of 1,483 (excluding the nursery). A further KPI is staffing costs as a percentage of total recurring income. For 2021/22 this was 75% for Rooks Heath School and 78% for Earlsmead Primary School against set parameters of 80%. The Board of Trustees is confident that staffing levels are closely monitored to agreed staffing budgets and staffing structures all approved by them.

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

**Non-Financial**

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

Both Schools performed well in externally assessed indicators, with 64.2% achieving grades A\* - C at A level (98.5% achieving grades A\* - E) and 99.5% of students achieving a Pass, Merit or Distinction in vocational courses at the end of KS5. GCSE results indicate that students made good progress with 63% achieving a grade 4 and above in English and 59% a grade 4 and above in maths. 31% of students achieved the EBacc at KS4. Standards in Earlsmead Primary School remain very strong. At KS2, 38 pupils achieved significantly above the expected standard in writing, 38 pupils achieved significantly above the expected standard in maths; this progress is in the highest 20% of schools nationally. Pupils are in line with or above national standards at both KS1 and KS2 with attainment in all subjects. Pupils are in the top 4% nationally for writing progress.

Rooks Heath School recruited 210 students into Year 7 in September 2021 which reduced to 207 by July 2022. Attendance of at least 92% was achieved at Rooks Heath over the course of the academic year.

Earlsmead Primary School recruited 40 pupils into its Reception year group for September 2021; this figure had increased to 47 by July 2022. The Nursery had a maximum of 13 children on roll at any one time. Attendance at Earlsmead Primary School continues to be strong with a year end figure of 93.8% .

**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.



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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 2022 the Trust received £13,282,966 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 £11,242,858 including capital projects. The Trust brought forward from 20/21, £637,823 of restricted funds and £212,902 of unrestricted. The carry forward for 21/22 is £1,065,670 of restricted funds and £212,902 of unrestricted.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,607,000. 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. While there has been a significant reduction in the opening deficit of £7,233,000 resulting from the application of actuarial assumptions, this does not guarantee that contribution rates will reduce and ease the cash flow effect on the Trust.

A breakdown of income and expenditure can be seen below:

	Restricted General Funds	Unrestricted Funds	Fixed Asset Fund	Pension Reserve	Total
Incoming Resources	11,231,950	22,998	2,028,018	-	13,282,966
Resources Expended	(10,786,318)	(22,998)	(433,542)		(11,242,858)
LGPS Charge				(1,266,000)	(1,266,000)
Depreciation			(63,190)		(63,190)
Employer contributions paid				463,000	463,000
Total Resources Expended	(10,786,318)	(22,998)	(496,732)	(803,000)	(12,109,048)
Assets Purchased from GAG	(17,785)	-	17,785		-
Actuarial Gains				6,429,000	6,429,000
Surplus / (Deficit) for the year	427,847	-	1,549,071	5,626,000	7,602,918
Balance at 1 September 2021	637,823	212,902	18,654,882	(7,233,000)	12,272,607
Balance at 31 August 2022	1,065,670	212,902	20,203,953	(1,607,000)	19,875,525

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Reserves Policy**

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

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

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was £1,278,572.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £1,494,313. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure.

**Investment Policy**

An Investment Policy was approved by the Board of Trustees in December 2021.

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.

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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, cost of living increases, inflationary increases across the board but particularly in relation to fuel increases 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. Recruitment is a national issue due to the national teacher shortage and changes in general working practices brought about by the pandemic;
- Fraud and mismanagement of funds - the Trustees have appointed Alliotts to carry out a programme of internal scrutiny which includes independent and external checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area, with added focus on cyber security;
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low;
- COVID-19 – the disruption to the Schools during the 2021/22 academic year brought a number of additional costs, none of which were recoverable from Government. The risk of a School having to close due to localised infections has been mitigated by extensive risk assessment planning, a focus on staff wellbeing, amended working practices;
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any School ceasing to exist the main risk to the Trust is the annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

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

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Fundraising**

As state funded schools, the majority of income for both schools in the Trust is allocated as Government Grant through the school funding formula. The Trust only seeks voluntary donations for activities to enhance the curriculum e.g. trips, and has not engaged 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. Any additional fundraising for the Schools is limited to charging for the community use of Schools' facilities. Further details of this approach is set out in the Lettings Policy as per school websites.

The Trust only held small charitable fundraising events during the year including a Save the Children Christmas Jumper Day, a Poppy appeal, a Mind collection, and contributions to a local Food Bank.

**Plans for Future Periods**

The Trust's key objectives for 2022/23 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 expansion centres around the developing numbers in the nursery within Earlsmead Primary School, as well as expanding the Trust to include further schools. The addition of the nursery enhances the offer within the primary school as well as the Trust, providing a valuable resource for the local community. Trust leaders are exploring a number of expansion opportunities which if successful, will see a significant increase in the size of the Trust.

The successful operation 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 further schools.

The Trust has been fortunate in securing an important Capital Improvement Fund grant which will significantly enhance the learning environment at Rooks Heath School. Senior leaders involved will continue these bid efforts on behalf of both schools in an attempt to further enhance the learning environments across the Trust.

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.

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 19 December 2022 and signed on its behalf by:

**P Hughes**  
Chair

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

**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Tithe Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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

**GOVERNANCE STATEMENT (CONTINUED)**

**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 7 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	4	7
J Reavley, Accounting Officer	6	7
S Savva	5	7
P Katbamna	2	7
N Roger	4	7
R Tullo	6	7
K McEwan	6	7

Review of year:

No review of the governance of the Trust would be complete this year without acknowledging at the outset the continued trying and difficult circumstances that have been faced by the Board as well as the wider Trust community as the world emerged from the COVID-19 pandemic, at the same time facing the effects of other global issues. The situation continues to be 'unprecedented' and yet the board has continued to operate successfully, providing challenge and support which has allowed schools to function and deliver outstanding education and care as well as excellent support services. The Trust has been fortunate in that membership has been unchanged and Board meeting attendance has been strong throughout the 2021/22 academic year.

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

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

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

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

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

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

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

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

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

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

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

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

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

The Board of Trustees has approved a Conflict of Interest Policy and Procedure document. Members, Trustees, Governors, and key employees are required to fully declare potential conflicts of interest through regular disclosure, at meetings where they may have a conflict of interest, and at the commencement of procedures (such as procurement) where they may have a conflict of interest. All individuals are required to comply with the spirit of the policy as well as its content and to act with high standards at all times. If in doubt, individuals should declare a potential conflict and allow others to evaluate it.

Members, Trustees, Governors, and key employees complete a declaration form annually which must be updated in the event of any relevant change. This form is reviewed by the CFO and Chair of Trustees. A Register of Interests is published on the Trust website which outlines all appropriate disclosures.

Individuals withdraw from any process of meeting where appropriate in order that transparency and fairness are maintained.

Governance reviews:

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

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

A review of the Local Governing Body was carried out in the summer 2022 term by the Chair of Trustees, with a report presented to Members and Trustees. Again, it is considered that the Local Governing Body effectively carried out its programme of work. Trustees were confident that the joint Local Governing Body is now sufficiently robust and experienced that it is now possible for each school to have its own Local Governing Body in the new 2022/23 academic year.

Terms of reference for Trustees and Governors are reviewed and approved annually to enable clarity and ownership around roles and responsibilities.

Trustees and Governors have a shared understanding of the Trust and individual school priorities, and how these are being addressed. It is clear from governance visits and meetings, particularly information contained



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

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

within reports from the CEO, CFO, Headteachers, and monthly accounts reports, that great progress has been made in addressing improvement priorities, with clear indications of where further attention must be focussed. 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.

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

The Local Governing Body is a sub-committee of the main Board of Trustees. Its purpose is to:

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

During the year the issues were dealt with by the committee included:

- Approve the School Improvement Plans and monitor their implementation, ensuring a focus upon:
  - o Maintaining and, where necessary, improving the quality of teaching;
  - o Closing any identified gaps in performance, be these subjects or identified groups of students;
  - o Continuous Professional Development of staff;
- Approve the curriculum of each school and monitor delivery;
- Recommend educational targets to the Board of Trustees and, once approved, monitor progress towards those targets;
- Determine and implement the admissions policy and arrangements for the schools in accordance with admissions law and DfE codes of practice;
- Monitor staff and financial resources in accordance with this Scheme of Delegation; and
- Review and adopt policies in accordance with this Scheme of Delegation.

During the year the following changes to the committee took place:

Norma Marshall (Headteacher of Earlsmead Primary School) – left  
Kathleen O’Sullivan (interim Headteacher of Earlsmead Primary School) – joined and left  
Barbara Graham (Headteacher of Earlsmead Primary School) – joined  
Rachel Garrett (staff governor at Rooks Heath School) - left

Attendance during the year at LGB meetings was as follows:

Trustee	Meetings attended	Out of a possible
Pauline Hughes	4	6
John Reavley	1	6
Savvas Savva	6	6
Nicola Roger	5	6
Robin Tullo	6	6

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

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Maintain oversight of the Trust's governance, risk management, internal control, and value for money framework.
- Report findings annually to the Board.

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.

The Board is fortunate in that the Audit and Risk Committee membership was stable during the 2021/22 academic year which allowed for maximum continuity in service.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Reavley	3	3
S Sawa	1	3
R Tullo	3	3

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

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

- Ensuring value for money tender exercises undertaken for HR and Payroll services.
- Completing capital fund bids to maximise the use of Trust reserves while securing capital investment for building improvement.
- Reviewing Central Service provision to ensure efficient and effective working practices to allow school leaders to focus on delivering school priorities.

**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 Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 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 Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

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

This option has been chosen because of the in depth knowledge Alliotts already have of the Trust as well as their expertise, and the value for money represented following a tender process.

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

- Financial procedures
- Fraud
- Procurement

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

On a termly basis, the reviewer 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 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 financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external Auditors;
- correspondence from ESFA e.g. FNTI/NtI and 'minded to' letters.

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 any potential weaknesses and ensure continuous improvement of the system is in place.

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

**P Hughes**  
Chair

**J Reavley**  
Accounting Officer

Date: 19 December 2022

**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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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: 21 December 2022

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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 2021 to 2022;
- 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 the Board of Trustees on 19 December 2022 and signed on its behalf by:

**P Hughes**  
Chair

**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 2022 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 2021 to 2022 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 2022 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 2021 to 2022 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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



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

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

**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

We gained an understanding of the legal and regulatory framework applicable to the Academy and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations in particular those regulations directly related to the financial statements, including financial reporting, and tax legislation. This included those regulations directly related to the financial statements, including compliance with Companies Act 2006, Charities Act 2011 and academy sector regulations.

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

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance Committee
- We agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Academy.
- We assessed details of any breaches where applicable in order to assess the impact upon the Academy.
- We reviewed legal fees incurred to identify any provisions or contingencies to be recognised in the financial statements.

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

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

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

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

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

**Michael Cooper Davis FCCA ACA (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

21 December 2022

**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 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 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**  
Chartered Accountants

Date: 21 December 2022

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>						
Donations and capital grants	3	-	-	2,028,018	2,028,018	103,314
Other trading activities	5	22,831	279,859	-	302,690	160,621
Investments	6	167	-	-	167	129
Charitable activities	4	-	10,952,091	-	10,952,091	10,524,463
<b>Total income</b>		<b>22,998</b>	<b>11,231,950</b>	<b>2,028,018</b>	<b>13,282,966</b>	<b>10,788,527</b>
<b>Expenditure on:</b>						
Charitable activities	7	22,998	11,589,318	496,732	12,109,048	11,290,308
<b>Total expenditure</b>		<b>22,998</b>	<b>11,589,318</b>	<b>496,732</b>	<b>12,109,048</b>	<b>11,290,308</b>
<b>Net income / (expenditure)</b>		<b>-</b>	<b>(357,368)</b>	<b>1,531,286</b>	<b>1,173,918</b>	<b>(501,781)</b>
Transfers between funds	19	-	(17,785)	17,785	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>-</b>	<b>(375,153)</b>	<b>1,549,071</b>	<b>1,173,918</b>	<b>(501,781)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	6,429,000	-	6,429,000	(1,242,000)
<b>Net movement in funds</b>		<b>-</b>	<b>6,053,847</b>	<b>1,549,071</b>	<b>7,602,918</b>	<b>(1,743,781)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		212,902	(6,595,177)	18,654,882	12,272,607	14,016,388
Net movement in funds		-	6,053,847	1,549,071	7,602,918	(1,743,781)
<b>Total funds carried forward</b>		<b>212,902</b>	<b>(541,330)</b>	<b>20,203,953</b>	<b>19,875,525</b>	<b>12,272,607</b>

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

The notes on pages 31 to 57 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	14	-	2,939
Tangible assets	15	18,208,087	18,651,943
		<u>18,208,087</u>	<u>18,654,882</u>
<b>Current assets</b>			
Debtors	16	2,328,658	349,480
Cash at bank and in hand		1,494,313	1,031,707
		<u>3,822,971</u>	<u>1,381,187</u>
Creditors due within one year	17	(531,594)	(506,748)
<b>Net current assets</b>		<u>3,291,377</u>	<u>874,439</u>
<b>Total assets less current liabilities</b>		<u>21,499,464</u>	<u>19,529,321</u>
Creditors due after more than one year	18	(16,939)	(23,714)
<b>Net assets excluding pension liability</b>		<u>21,482,525</u>	<u>19,505,607</u>
Defined benefit pension scheme liability	26	(1,607,000)	(7,233,000)
<b>Total net assets</b>		<u><u>19,875,525</u></u>	<u><u>12,272,607</u></u>
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	20,203,953	18,654,882
Restricted income funds	19	1,065,670	637,823
Pension reserve	19	(1,607,000)	(7,233,000)
<b>Total restricted funds</b>		<u>19,662,623</u>	<u>12,059,705</u>
<b>Unrestricted income funds</b>	19	212,902	212,902
<b>Total funds</b>		<u><u>19,875,525</u></u>	<u><u>12,272,607</u></u>

The financial statements on pages 28 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

**P Hughes**  
Chair

Date: 19 December 2022

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	21	(1,541,019)	428,068
<b>Cash flows from investing activities</b>	23	2,010,400	(86,723)
<b>Cash flows from financing activities</b>	22	(6,775)	(6,775)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		462,606	334,570
Cash and cash equivalents at the beginning of the year		1,031,707	697,137
<b>Cash and cash equivalents at the end of the year</b>	24, 25	<hr/> <hr/> 1,494,313	<hr/> <hr/> 1,031,707



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

**1.2 Going concern**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 2022**

**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.

Computer software	- 5 years
-------------------	-----------

**1.8 Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	-	-	-	71,740
Government grants	-	2,028,018	2,028,018	31,574
	<u>-</u>	<u>2,028,018</u>	<u>2,028,018</u>	<u>103,314</u>
Total 2021	<u>27,340</u>	<u>75,974</u>	<u>103,314</u>	

In 2021, income from donations was £71,740, of which £27,340 was restricted and £44,400 was restricted fixed asset funds.

In 2021, income from capital grants was £31,574, all of which was attributable to restricted fixed asset funds.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	9,566,031	9,566,031	8,986,294
Other DfE/ESFA grants			
Rates relief	37,667	37,667	37,665
Pupil premium	419,510	419,510	402,357
Free school meals	163,834	163,834	75,469
Teachers Pension Grant	36,322	36,322	294,891
Teachers Pay Grant	12,855	12,855	104,364
Sports premium	18,640	18,640	18,600
Summer school income	48,831	48,831	20,685
Tuition Funding	6,741	6,741	4,253
Other grants	118,535	118,535	-
	<hr/> 10,428,966	<hr/> 10,428,966	<hr/> 9,944,578
<b>Other Government grants</b>			
Local Authority grants	505,725	505,725	437,975
	<hr/> 505,725	<hr/> 505,725	<hr/> 437,975
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Catch up premium	-	-	106,720
Other DfE/ESFA Covid-19 funding	17,400	17,400	35,190
	<hr/> 17,400	<hr/> 17,400	<hr/> 141,910
	<hr/> 10,952,091	<hr/> 10,952,091	<hr/> 10,524,463
<b>Total 2022</b>	<hr/> <hr/> 10,952,091	<hr/> <hr/> 10,952,091	<hr/> <hr/> 10,524,463
<b>Total 2021</b>	<hr/> <hr/> 10,524,463	<hr/> <hr/> 10,524,463	

In 2021, income from DfE / ESFA grants of £9,944,578 was restricted.

In 2021, income from other Government grants of £437,975 as restricted.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**5. Income from other trading activities**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	22,831	-	22,831	12,808
Other income	-	279,859	279,859	147,813
	<u>22,831</u>	<u>279,859</u>	<u>302,690</u>	<u>160,621</u>
Total 2021	<u>12,808</u>	<u>147,813</u>	<u>160,621</u>	

In 2021, rental income was £12,808, all of which was unrestricted.

In 2021, other income was £147,813, all of which was restricted.

**6. Investment income**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Interest	<u>167</u>	<u>167</u>	<u>129</u>
Total 2021	<u>129</u>	<u>129</u>	

In 2021, interest received was £129, all of which was unrestricted.



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**7. Expenditure**

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Costs of educational operations:					
Direct costs	6,927,613	-	422,273	7,349,886	7,277,437
Support costs	2,445,454	1,316,863	996,845	4,759,162	4,012,871
	<u>9,373,067</u>	<u>1,316,863</u>	<u>1,419,118</u>	<u>12,109,048</u>	<u>11,290,308</u>
Total 2021	<u>9,084,347</u>	<u>-</u>	<u>2,205,961</u>	<u>11,290,308</u>	

In 2021, of total expenditure £12,808 was on unrestricted funds, £10,793,538 was on restricted funds and £483,962 was on restricted fixed asset funds.

In 2021, direct costs consisted of £6,975,270 staff costs and £302,167 other costs.

In 2021, support costs consisted of £2,109,077 staff costs, £1,096,884 premises costs and £806,910 other costs.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**8. Charitable Activities**

	2022 £	2021 £
Direct costs	7,349,886	7,277,437
Support costs	4,759,162	4,012,871
<b>Total</b>	<u>12,109,048</u>	<u>11,290,308</u>

	2022 £	2021 £
<b>Analysis of support costs</b>		
Staff costs	2,445,454	2,109,077
Depreciation and amortisation costs	464,580	452,388
Technology costs	195,345	175,589
Premises costs	852,283	644,496
Other costs	771,232	604,299
Governance costs	20,347	24,440
Legal costs	9,921	2,582
<b>Total</b>	<u>4,759,162</u>	<u>4,012,871</u>

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

Net (expenditure)/income for the year includes:

	2022 £	2021 £
Operating lease rentals	24,101	10,274
Depreciation of tangible fixed assets	464,580	449,450
Amortisation of intangible assets	2,449	2,938
Fees paid to Auditors for:		
- audit	10,330	9,755
- other services	6,630	6,245

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	6,447,836	6,277,225
Social security costs	624,816	599,959
Pension costs	2,001,168	1,809,434
	<u>9,073,820</u>	<u>8,686,618</u>
Agency staff costs	299,247	397,729
	<u>9,373,067</u>	<u>9,084,347</u>

**b. Special staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £NIL (2021 - £NIL).

**c. Staff numbers**

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

	2022 No.	2021 No.
Teachers	80	89
Administration and support	76	113
Management	9	9
	<u>165</u>	<u>211</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**10. Staff (continued)**

**d. Higher paid staff**

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	8	7
In the band £70,001 - £80,000	4	5
In the band £90,001 - £100,000	2	2
	<u>          </u>	<u>          </u>

**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 £405,419 (2021 - £437,016). As referenced in note 30, of this figure, £29,825 (2021 - £29,820) has been recharged to The Harrow Alternative Provision Academy Trust for the secondment of the Accounting Officer.

Employer National Insurance contributions included within key management personnel remuneration was £ 40,573 (2021 - £41,950).

Employer pension contributions included within key management personnel remuneration was £50,425 (2021 - £55,932).

**11. Central services**

£491,149 of central expenses were provided by the Trust to its Academies during the year.

**12. Trustees' remuneration and expenses**

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

		2022 £	2021 £
J Reavley, CEO	Remuneration	90,000 - 95,000	90,000 - 95,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**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 2021	14,692
At 31 August 2022	<u>14,692</u>
<b>Amortisation</b>	
At 1 September 2021	11,753
Charge for the year	2,939
At 31 August 2022	<u>14,692</u>
<b>Net book value</b>	
At 31 August 2022	<u><u>-</u></u>
At 31 August 2021	<u><u>2,939</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**15. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2021	20,040,987	1,689,573	452,136	22,182,696
Additions	-	-	17,785	17,785
Disposals	-	(401,390)	-	(401,390)
At 31 August 2022	20,040,987	1,288,183	469,921	21,799,091
<b>Depreciation</b>				
At 1 September 2021	2,465,947	748,557	316,249	3,530,753
Charge for the year	321,351	90,926	49,364	461,641
On disposals	-	(401,390)	-	(401,390)
At 31 August 2022	2,787,298	438,093	365,613	3,591,004
<b>Net book value</b>				
At 31 August 2022	17,253,689	850,090	104,308	18,208,087
At 31 August 2021	17,575,040	941,016	135,887	18,651,943

**16. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	50,763	44,436
Other debtors	249	249
Prepayments and accrued income	2,164,577	235,290
VAT recoverable	113,069	69,505
	2,328,658	349,480

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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

	2022 £	2021 £
Other loans	6,775	6,775
Trade creditors	71,834	108,074
Other taxation and social security	149,186	154,578
Other creditors	148,235	162,178
Accruals and deferred income	155,564	75,143
	<u>531,594</u>	<u>506,748</u>
	<u><u>531,594</u></u>	<u><u>506,748</u></u>
	2022 £	2021 £
Deferred income at 1 September 2021	30,511	144,084
Resources deferred during the year	63,049	30,511
Amounts released from previous periods	(30,511)	(144,084)
	<u>63,049</u>	<u>30,511</u>
	<u><u>63,049</u></u>	<u><u>30,511</u></u>

Balances in deferred income relate to funding received in advance of the 2022/23 financial year from the ESFA.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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

	2022 £	2021 £
Other loans	16,939	23,714
	<u>16,939</u>	<u>23,714</u>

Included within the above are amounts falling due as follows:

	2022 £	2021 £
<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	10,164	16,939
	<u>10,164</u>	<u>16,939</u>

Included within other loans due both within and more than one year is a Salix loan of £23,714 (2021 - £30,489) from the ESFA which is provided interest-free and is repayable in equal, twice-yearly instalments over 8 years.



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**19. Statement of funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General Funds	212,902	22,998	(22,998)	-	-	212,902
<b>Restricted general funds</b>						
General Annual Grant (GAG)	637,823	9,566,031	(9,120,399)	(17,785)	-	1,065,670
Other DfE / ESFA grants	-	880,335	(880,335)	-	-	-
Other Government grants	-	505,725	(505,725)	-	-	-
Other restricted funds	-	279,859	(279,859)	-	-	-
Pension reserve	(7,233,000)	-	(803,000)	-	6,429,000	(1,607,000)
	<u>(6,595,177)</u>	<u>11,231,950</u>	<u>(11,589,318)</u>	<u>(17,785)</u>	<u>6,429,000</u>	<u>(541,330)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed assets	18,654,882	-	(464,580)	17,785	-	18,208,087
Devolved Formula Capital	-	32,152	(32,152)	-	-	-
Condition Improvement Funding	-	1,995,866	-	-	-	1,995,866
	<u>18,654,882</u>	<u>2,028,018</u>	<u>(496,732)</u>	<u>17,785</u>	<u>-</u>	<u>20,203,953</u>
<b>Total Restricted funds</b>	<u>12,059,705</u>	<u>13,259,968</u>	<u>(12,086,050)</u>	<u>-</u>	<u>6,429,000</u>	<u>19,662,623</u>
<b>Total funds</b>	<u><u>12,272,607</u></u>	<u><u>13,282,966</u></u>	<u><u>(12,109,048)</u></u>	<u><u>-</u></u>	<u><u>6,429,000</u></u>	<u><u>19,875,525</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 2022.

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

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

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

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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

**Total funds analysis by Academy**

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Rooks Heath School	1,164,663	726,024
Earlsmead Primary School	113,909	124,701
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,278,572	850,725
Restricted fixed asset fund	20,203,953	18,654,882
Pension reserve	(1,607,000)	(7,233,000)
	<hr/>	<hr/>
<b>Total</b>	<b>19,875,525</b>	<b>12,272,607</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 2022 £	Total 2021 £
Rooks Heath School	5,509,325	2,178,226	262,600	1,463,554	9,413,705	8,684,580
Earlsmead Primary School	1,418,288	267,228	43,724	501,523	2,230,763	2,153,340
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Trust</b>	<b>6,927,613</b>	<b>2,445,454</b>	<b>306,324</b>	<b>1,965,077</b>	<b>11,644,468</b>	<b>10,837,920</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	18,208,087	18,208,087
Current assets	212,902	1,614,203	1,995,866	3,822,971
Creditors due within one year	-	(531,594)	-	(531,594)
Creditors due in more than one year	-	(16,939)	-	(16,939)
Provisions for liabilities and charges	-	(1,607,000)	-	(1,607,000)
<b>Total</b>	<b>212,902</b>	<b>(541,330)</b>	<b>20,203,953</b>	<b>19,875,525</b>

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**21. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2022 £	2021 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,173,918	(501,781)
<b>Adjustments for:</b>		
Amortisation	2,939	2,938
Depreciation	461,641	449,450
Capital grants from DfE and other capital income	(2,028,018)	(31,574)
Interest receivable	(167)	(129)
Donated assets	-	(44,400)
Pension adjustments	803,000	558,000
(Increase)/decrease in debtors	(1,979,178)	87,434
Increase/(decrease) in creditors	24,846	(91,870)
<b>Net cash (used in)/provided by operating activities</b>	<b>(1,541,019)</b>	<b>428,068</b>

**22. Cash flows from financing activities**

	2022 £	2021 £
Repayments of Salix loan	(6,775)	(6,775)

**23. Cash flows from investing activities**

	2022 £	2021 £
Interest	167	129
Purchase of tangible fixed assets	(17,785)	(118,426)
Capital grants from DfE Group	2,028,018	31,574
<b>Net cash provided by/(used in) investing activities</b>	<b>2,010,400</b>	<b>(86,723)</b>

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

	2022 £	2021 £
Cash in hand and at bank	1,494,313	1,031,707

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,031,707	462,606	1,494,313
Debt due within 1 year	(6,775)	-	(6,775)
Debt due after 1 year	(23,714)	6,775	(16,939)
	<u>1,001,218</u>	<u>469,381</u>	<u>1,470,599</u>

**26. Pension commitments**

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

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

Contributions amounting to £148,235 were payable to the schemes at 31 August 2022 (2021 - £162,178) 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**26. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £892,589 (2021 - £921,149).

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 2022 was £581,000 (2021 - £596,000), of which employer's contributions totalled £463,000 (2021 - £475,000) and employees' contributions totalled £118,000 (2021 - £121,000). The agreed contribution rates for future years are 20.5 per cent for employers and 5.5-12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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.



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**26. Pension commitments (continued)**

**Principal actuarial assumptions**

	2022 %	2021 %
Rate of increase in salaries	3.75	3.6
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65

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

	2022 Years	2021 Years
Retiring today		
Males	22	22.2
Females	24.4	24.6
Retiring in 20 years		
Males	23.3	23.5
Females	26.7	26.9

**Sensitivity analysis**

	2022 £000	2021 £000
Discount rate +0.1%	(38)	(347)
Discount rate -0.1%	38	347
Mortality assumption - 1 year increase	382	612
Mortality assumption - 1 year decrease	(382)	(612)
CPI rate +0.1%	38	311
CPI rate -0.1%	(38)	(311)

**Share of scheme assets**

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

	2022 £	2021 £
Equities	5,694,000	5,906,000
Corporate bonds	1,434,000	1,214,000
Property	637,000	647,000
Cash and other liquid assets	199,000	323,000
<b>Total market value of assets</b>	<b>7,964,000</b>	<b>8,090,000</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**26. Pension commitments (continued)**

The actual return on scheme assets was £-578,000 (2021 - £1,215,000).

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

	2022 £	2021 £
Current service cost	1,141,000	937,000
Interest income	(137,000)	(113,000)
Interest cost	262,000	209,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>1,266,000</b>	<b>1,033,000</b>

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

	2022 £	2021 £
<b>At 1 September</b>	15,319,000	11,835,000
Current service cost	1,141,000	937,000
Interest cost	262,000	209,000
Employee contributions	118,000	121,000
Actuarial (gains)/losses	(7,144,000)	2,344,000
Benefits paid	(128,000)	(123,000)
<b>At 31 August</b>	<b>9,568,000</b>	<b>15,323,000</b>

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

	2022 £	2021 £
<b>At 1 September</b>	8,089,000	6,402,000
Interest income	137,000	113,000
Actuarial (losses)/gains	(715,000)	1,102,000
Employer contributions	463,000	475,000
Employee contributions	118,000	121,000
Benefits paid	(128,000)	(123,000)
<b>At 31 August</b>	<b>7,964,000</b>	<b>8,090,000</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**27. Operating lease commitments**

At 31 August 2022 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	6,140	12,355
Later than 1 year and not later than 5 years	5,315	11,455
	<u>11,455</u>	<u>23,810</u>

**28. Members' liability**

Each Member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while they 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 cease to be a Member.

**29. Related party transactions**

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

During the year, the Trust seconded the Accounting Officer to The Harrow Alternative Provision Academy Trust for which recharges of £29,825 (2021 - £29,280) were made. In addition, payments of £36,000 (2021 - £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 Trust Handbook 2021.