

Company Registration Number: 07654273 (England and Wales)

**TILE HILL WOOD SCHOOL AND LANGUAGE COLLEGE**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2016**

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**Tile Hill Wood School and Language College**

**Reference and Administrative Details**

Charity Name:	Tile Hill Wood School and Language College
Company Registration Number:	07654273 (England and Wales)
Registered Office:	Tile Hill Wood School and Language College Nutbrook Avenue Tile Hill Coventry CV4 9PW
The Governors:  <i>*Members of the Finance, Resource and Audit Committee</i>	<p><b>Academy Governor:</b> Roger Moore* (Chair) Samantha Grierson* (Vice chair) Peter Wall Carol Arkley* Paul Mercer* (resigned 01/11/15) Bryan Sayers Deborah Martin-Williams (appointed 01/09/15)</p> <p><b>Headteacher Governor:</b> Gina O'Connor*</p> <p><b>Authority Governor:</b> Kevin Maton</p> <p><b>Parent Governor:</b> Amanda Taylor* Maxine Kelsall Allison Eving Tracie Hardie Elaine Yates Chris Rose (appointed 01/09/15) Yusef Raja (appointed 01/09/15)</p> <p><b>Staff:</b> Donna Bogusz* Christopher Denson* Pat Flavell Natalie Woodward</p> <p><b>Observer:</b> Chris Paton Malcolm Gardner Natalie O'Callaghan Eileen Swords Ana Neofitou</p>
Leadership Group:	Gina O'Connor – Headteacher Chris Paton – Deputy Head Mary Armstrong - Assistant Head (resigned 31/12/15) Malcolm Gardner – Assistant Head Ana Neofitou – Assistant Head Sam Tasker – Assistant Head Karen Weston- Assistant Head Bertram Richter- Assistant Head (appointed 01/09/16)
Company Secretary:	Malcolm Gardner

**Reference and Administrative Details (continued)**

Clerk to the Governors	Kelly Goddard, Coventry City Council Civic Centre 1 Earl Street Coventry CV1 5RS
Independent Auditor	Moore Stephens LLP 35 Calthorpe Road Edgbaston Birmingham B15 1TS
Bankers	Lloyds Bank plc 2 <sup>nd</sup> Floor 30 High Street Coventry CV1 5RA
Solicitors	Browne Jacobson Victoria Square House Victoria Square Birmingham B2 4BU

**Governors Annual Report Period Ended 31 August 2016**

The Governors present their annual report together with the financial statements and Auditor's report of the charitable company for the year ended 31 August 2016.

**Structure, Governance and Management**

**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum, Funding Agreement and articles of association are the primary governing documents of the Academy Trust. It was incorporated on 11 July 2011.

The Governors act as the trustees for the charitable activities of Tile Hill Wood School & Language College Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Tile Hill Wood School & Language College. The Company's Memorandum and Articles of Association are the primary governing documents of the Academy.

Details of Tile Hill Wood School & Language College Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

**Governors**

The Governors are Directors of the Charitable Company for the purposes of the Companies Act 2006.

**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.

**Members and Governors' Indemnities**

The Academy has purchased insurance to protect all trustees, Governors and Members of the Academy from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 for Governors' liability on any one occurrence.

**Principal Activities**

The principal activity of Tile Hill Wood School & Language College Academy Trust Ltd is to advance education for the public benefit by establishing, maintaining, managing and developing a school offering a broad curriculum.

**Method of Recruitment and Appointment or Election of Governors**

The Academy has adopted the City Council's recruitment and appointment process for the election of Governors.

- The Academy's Articles of Association states that the following rules be used in numbers of Governors appointed:
- The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.
- Subject to Articles 48-49 and 64, the Academy Trust shall have the following Governors:
  - a) Up to 8 Governors, appointed under Article 50
  - b) Any Staff Governors, if appointed under Article 50A
  - c) Up to 1 LA Governor if appointed under Article 51
  - d) A minimum of 2 Parent Governors appointed under Articles 53-58
  - e) The Headteacher
  - f) Any Additional Governors, if appointed under Article 62, 62A or 68A and
  - g) Any Further Governors, if appointed under Article 63 or Article 68A.
- The Academy Trust may also have any Co-opted Governor appointed under Article 59.

**Governors' Report (continued)**

- The first Governors shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.
- Future Governors shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a Governor to be appointed or elected due to the fact that an Academy has not yet been established or the Headteacher has not been appointed, then the relevant Article or part thereof shall not apply.
- The Members may appoint up to 8 Governors.
- The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors.
- The LA may appoint the LA Governor.
- The Headteacher shall be treated for all purposes as being an ex officio Governor.

Except for the Headteacher, Governors are subject to retirement after 4 years of service but are eligible for re-appointment or re-election.

**Policies and Procedures Adopted for the Induction and Training of Governors**

The Academy has adopted the City Council's Induction Training Scheme for Governors plus in-house support. Training and induction for new Governors will depend upon their existing experience. Governors are given the opportunity to attend training sessions at any time during the year. Induction will include legal, educational and financial matters.

All Governors attended a training session in May 2012 on the roles and responsibilities of being an Academy Governor. Each year Governors are offered updates on relevant issues and changes in legislation.

The Governing Body is responsible for the strategic direction of the Academy. The Governing Body reviews progress towards educational objectives and results. They are informed of any expenditure in excess of £10,000, set the budget for the following year and set the organisational staffing structure.

There are three Sub Committees in place to which specific responsibilities are delegated by the Full Governing Body.

**Finance, Resources and Audit**

This Committee meets at least termly to consider the financial position of the Academy. It has delegated powers to approve revenue and capital expenditure, recommend the approval of the Academy's budget and approval of disposal assets. The Committee also reviews issues relating to Health & Safety, Premises and Policy.

**Quality and Standards**

This Committee meets at least termly to consider the educational progress of the Academy towards its objectives, the content of its curriculum, student activities and achievement.

**Personnel Committee**

This Committee meets at least termly to consider the staffing establishment and structure based upon the Headteacher's recommendations, to ensure that the necessary resources are available to ensure that the Academy complies with safeguarding requirements on DBS checks. It also considers actions following personnel advice and implements procedures for the management of change. It reviews the Academy's compliance with statutory obligations regarding pay and conditions.

The Headteacher is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Academy. The Headteacher has delegated to specific budget holders low levels of expenditure. These budget holders are responsible for managing their own subject areas within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

**Governors' Report (continued)**

The Headteacher manages the Academy on a daily basis, supported by an Academy Leadership Team. The Academy Leadership Team meets thrice weekly; once to consider diary implications for the coming week, again to discuss strategic issues and thirdly to discuss business and operational matters.

**Risk Management**

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational area and in relation to the control of finance. They have introduced systems, including operational procedures in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The major risks to which the Academy is exposed are as follows:-

- Loss of/reduction in funding/failure to successfully recruit and retain pupils
- Changes to Government policy in Education Funding
- Loss of building or facilities preventing the delivery of education
- Loss of members of staff (either sudden or gradually over time)
- Loss of reputation
- Lack of safeguarding of students
- Funding of pension deficits under the LGPS
- Employment Tribunal payments.
- Breach of legislation, such as Health & Safety issues

The Academy Leadership Team have considered these risks. Policies and procedures have been put into place to minimise the risks, including budget management and forecasting procedures, the procurement of adequate insurance cover, investing in staff training and continuing professional development, and continued local marketing and advertising highlighting the achievement of our students. We also include a budgeted reserve for staff cover costs, and maintain a large number of policies and procedures which protect our staff, students and the Academy, also reducing the risk of safeguarding failures. The pension scheme is reviewed by qualified actuaries on behalf of the Academy. There is currently a deficit on this scheme as disclosed in note 26. The Trustees of the LGPS pension scheme arrange for appropriate contribution rates to be paid by the members and the employer to ensure that the pension scheme is properly funded over time. The Academy engages the support of professional legal advice to help reduce the risk of employment tribunal liability.

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

The Academy follows the national guidelines for the pay scales of the leadership group using the size of the school as a criterion. Any annual increments are awarded following the schools performance pay policy and are ratified by a pay awarding sub-committee of the Governors Personnel committee. The Headteachers' performance is managed by two appointed governors and facilitated by an external consultant support.

**Connected Organisations including Related Party Relationships**

The Academy is not sponsored through any organisation and receives its funding from Central Government.

The Academy does not have Governors on its Board of Directors who provide sponsorship.

**Objectives and Activities**

The School converted to Academy status on 11<sup>th</sup> July 2011. Staff successfully transferred to work at the Academy on this date and the impact upon staff of working for an Academy has been minimal.

There were a number of developments and improvements within the first year of the Academy opening. The introduction of a new uniform for students, the development of a cashless system for catering and school trips and a new VLE system are continuing to have a good impact on school life.

**Governors' Report (continued)**

The objectives in the year were as per the following results table:

	5 + A* - C at GCSE		5 + A* - C with English and Maths at GCSE	
	Target	Result	Target	Result
2011	78%	79%	63%	63%
2012	83%	85%	63%	60%
2013	85%	77%	60%	54%
2014	78%	68%	61%	59%
2015	New measures in place		62%	53%
2016	Progress8 -0.02	Attainment 8 49.3	62%	57%

The school also achieved a judgement of GOOD from Ofsted in November 2014.

The main objectives of the Academy during the period ended 31 August 2016 are summarised below:

- To deliver high quality education and care to all pupils within the Academy
- To raise standards and achievement
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with industry and commerce and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

**Public Benefit Statement**

The primary purpose of Tile Hill Wood School & Language College Academy Trust is the advancement of education within the local area. To this end, the Academy has continued to develop links with local Primary Schools, which will lead to smooth transition from Primary to Secondary education for the majority of students and in turn this will contribute to the community ethos upheld by the Academy.

The Academy will be giving a high priority to providing public benefit to a cross section of the community regardless of family background. Perhaps the greatest benefit that the Academy can offer is the provision of an education that maximises each student's potential to develop principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

In accordance with legislation the Academy is an exempt Charity. The Governors confirm that they have complied with the duty under the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

We have delivered sessions to Year 5 and 6 students from primary schools. The sessions have related to areas of the national primary science curriculum. We have provided minibuss transport to enable the students to attend and use the equipment in our laboratories, which has been very beneficial to the children. Primary students have also attended Language lessons delivered by our older students and staff, Gifted and Talented activities, Maths Challenge Days. We have supported the local primary schools in their curriculum delivery. The Science and Technology departments have delivered lessons.

We also support other local community events, taking students into the community. For example, students from Year 12 have been involved in the Police Youth Forum and year 11 students participate in the National Challenge scheme which includes a week working in the community.



## Governors' Report (continued)

### Strategic Report

#### Achievements & Performance

The Academy was successful in securing funding through the 2015/16 Academies Maintenance Fund to carry out roof repairs. Bids will also be submitted to the 2016/2017 Academies Maintenance Fund to carry out further refurbishment.

#### Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. In reaching this assessment the Governing Body, as set out in the section below, has been working with the EFA to achieve a balanced budget through the amalgamation with Woodlands Academy. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### Financial Review

#### Key Financial Performance Indicators

Staff costs as a percentage of total income 2015/16

	Actual / (Target)
Teaching Staff	77%
Academy Support Staff	7%
<b>Total Staffing</b>	<b>84% / (75%) (Increase from 73.2% due to reduced income)</b>

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy's Governing Body has reviewed its level of expenditure, expected income, including reduction of income due to falling student numbers plus expenditure priorities.

#### Financial Review Educational Activities

The Academy has accumulated reserves of £8,801,000 as at 31 August 2016. This comprises of:

- £11,937,000 Fixed assets
- (£3,105,000) Deficit on Local Government Pension Scheme
- (£31,000) other net current liabilities

The Academy has reviewed its staffing and expenditure in the light of continuing reduced numbers and continued pressures on the funding it receives. Voluntary redundancy opportunities were made available to staff in 2015/16. The Academy needs to carefully manage its income and expenditure, in order to meet its targets without compromising the quality of education offered in future years. With this in mind the Academy has been working with the EFA and DfE in securing the future education of the students (boys) in a nearby failing academy (Woodlands). The Headteacher and members of the Leadership Group and Governing Body took over the running of the academy in April 2016. The students (all boys) are now taught on the Tile Hill Wood site and will join the roll of the school in September 2017 when Woodlands Academy will officially close. Tile Hill Wood School & Language College will thus change its name to West Coventry Academy and will educate both boys and girls.

#### Reserves Policy

All expenditure is categorised according to the source of funding, including tracking unrestricted reserves. The policy of the Academy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal.

#### Investment Policy

The Academy manages its cash by reviewing short and medium term requirements for funds. Surplus funds are invested into bank accounts to give the best returns for the period of time the funds are to be invested. These investments are restricted to one institution (Lloyds Bank) to reduce risk.

**Governors' Report (continued)**

**Endowment Fund**

There are no endowments at this Academy, as there are no sponsors.

**Plans for Future Years**

The Academy gained a good judgement from OFSTED in November 2014 and will continue to work towards moving from Good to Outstanding. The target for Summer 2017 is to gain a positive Progress 8 measure and to improve the percentage of A\* and B grades at AS level as well as maintaining A level results in line with national average. Work continues to focus on further improving the quality of teaching and learning.

**Funds held as Custodian Trustee on behalf of others**

None

**Auditors**

In so far as the Governors are aware:

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

Moore Stephens LLP are deemed to be re-appointed under Section 487 (2) of the Companies Act 2006.

The report of the Governors has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Governors' report, incorporating a strategic report, approved by order of the members of the Governing Body on 14th December 2016 and signed on its behalf by:

Roger Moore  
Chair



Gina O'Connor  
Accounting Officer

**Governance Statement**

**Scope of Responsibility**

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Tile Hill Wood School & Language College and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees Report and in the Statement of governors' responsibilities. The **governing body** has formally met 6 times during the period. Attendance during the year at meetings of the governing body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Kevin Maton	7	9
Pat Flavell	8	9
Bryan Sayers	8	9
Gina O' Connor (Headteacher)	9	9
Tracy Hardie	6	9
Elaine Yates	8	9
Maxine Kelsall	6	9
Allison Evering	7	9
Natalie Woodward	9	9
Amanda Taylor	8	9
Chris Denson	8	9
Carol Arkley	6	9
Roger Moore (Chair)	9	9
Deborah Martin-Williams	5	6
Chris Rose	7	7
Yusuf Raja	5	7
Peter Wall	7	9
Sam Grierson	8	9

The **Finance, Resources and Audit Committee** is a sub-committee of the main governing body. Its purpose is identified in its terms of reference. Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Kevin Maton	4	4
Pat Flavell	3	3
Bryan Sayers	3	3
Gina O' Connor (Headteacher)	7	10
Tracy Hardie	1	3
Elaine Yates	3	3
Maxine Kelsall	5	5
Allison Evering	1	3
Natalie Woodward	5	5
Amanda Taylor	4	7
Chris Denson	3	6
Carol Arkley	3	4
Roger Moore (Chair)	8	9
Deborah Martin-Williams	1	2
Chris Rose	3	3
Yusuf Raja	2	3
Peter Wall	3	4
Sam Grierson	3	4

**Governance Statement (continued)**

**Review of Value for Money**

As accounting officer the head teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

**Improving Educational Results**

- Our curriculum is both diverse and balanced to ensure that all students' needs are met appropriately (for example we offer Child care, BTec Travel & Tourism and various college placements))
- Staffing requirements are reviewed each year to ensure that the curriculum is delivered efficiently and appropriately to meet the needs of all students.
- Intervention strategies have been put in place, including one-to-one and small group sessions to enable students to achieve their potential, particularly in English & mathematics. The progress of students is good.
- We focus on different groups of students with different strategies. This shows in our success with G&T students and those with Special Educational Needs and Disabilities.
- We have excellent tracking & monitoring system which ensures that all intervention strategies are targeted at the right students to achieve best value.
- We are extremely pleased with the continuing progress that the students are making from entry to the school to their KS4 results. It is in line with the national average in both English and mathematics.
- We collaborate with two neighbouring schools to provide an excellent range of opportunities for our students at post 16. We have shared CPD opportunities for staff and jointly provide the learning for the post 16 offer. Our A Level results continue to be good, with progress from GCSE above the national. The majority of our students have progressed to the University of their Choice including Oxford.
- Attendance has increased over the last 3 years and is now slightly above the national average with persistent absence reduced dramatically. Employment of our own EWO has made a contribution to this along with various strategies to improve attendance.

**Financial Performance**

- Financial governance and oversight is strong, with a variety of governors running their own companies to lend their skills and knowledge.
- Management accounts are issued monthly to budget holders to ensure regular monitoring.
- All large spending is costed and shared with Leadership Group and Governors of the Finance sub-committee, which is then challenged appropriately to achieve best value.
- The finance manager has been proactive in assessing each contract and SLA to ensure we are achieving value for money.
- The finance manager has also been proactive in ensuring all expenditure is essential and best value.
- Bids to the Condition Improvement Fund have meant we have new roofing throughout the site and we are bidding for further funds in the next round.
- All expenditure is benchmarked against the neighbouring academies to ensure we are not over or underspending in each area.
- The school tendering process ensures that tenders/quotes are obtained to ensure value for money in all major projects.
- Cash flow forecasts are used to identify and invest surplus cash balances to maximise bank interest.

**Governance Statement (continued)**

**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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Tile Hill Wood School & Language College for the period ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

The Governors have set policies on internal controls which cover the following:

- Type of risks the Academy faces
- The level of risks which they regard as acceptable
- The likelihood of the risks materialising
- The Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise
- The costs of operating particular controls relative to the benefits obtained
- Clarified the responsibility of the Leadership Group to implement the Governors' policies and to identify and evaluate risks for the Governors' consideration
- Explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives
- Embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy
- Developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment and
- Including procedures for reporting failings immediately to appropriate levels of management and the Governors together with details of corrective action being undertaken.

We also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:-

- The Academy is operating efficiently and effectively
- Its assets are safeguarded against un-authorized use of disposition
- That proper records are maintained and financial information used within the Academy or for publication is reliable
- The Academy complies with relevant laws and regulations.

**Capacity to Handle Risk**

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body. Governors receive training which includes information on the main areas of risk to the Academy.

**Governance Statement (continued)**

**The Risk and Control Framework**

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Crompton & Co Accountants to carry out the Responsible Officer checks. The RO's role includes performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities through the Finance, Resources and Audit Committee. The Responsible Officer function has been delivered in line with the requirements of the Financial Handbook for Academies during the year and no material control issues were identified. There are currently no control issues which require remedial action.

The Responsible Officer's remit is in line with the requirements of the Education Funding Agency.

**Review of Effectiveness**


As Accounting Officer, the Headteacher 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 Responsible Officer;
- the work of the external auditor;
- the financial management and governance self assessment process or similar;

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

Approved by order of the members of the Governing Body on 14<sup>th</sup> December 2016 and signed on its behalf by:

Roger Moore  
Chair



Gina O'Connor  
Accounting Officer

**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Tile Hill Wood School & Language College Academy Trust I have considered my responsibility to notify the Academy trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Gina O'Connor  
Accounting officer

14th December 2016

**Statement of Governors' Responsibilities**

The Governors (who act as trustees for charitable activities of Tile Hill Wood School & Language College and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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 Governors 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 Governors 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 the EFA have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 14th December 2016 and signed on its behalf by:

Roger Moore  
Chair





**Independent Auditor's Report to the Members of Tile Hill Wood School and Language College**

We have audited the financial statements of Tile Hill Wood School and Language College for the year ended 31 August 2016 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable School's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable School'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 charitable School and its members, as a body for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Governors and auditors**

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charitable School for the purposes of company law) are responsible for the preparation of the financial statements for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the School's circumstances and have been consistently applied and adequately disclosed the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

**Independent Auditor's Report to the Members of Tile Hill Wood School And Language College  
(continued)**

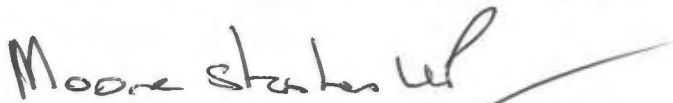
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

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

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



**NICHOLAS SIMKINS** (Senior Statutory Auditor)  
for and on behalf of MOORE STEPHENS LLP (Statutory Auditor)  
Chartered Accountants and Statutory Auditor  
Birmingham

Date: 14/12/2016

**Independent Reporting Accountant's Assurance Report on Regularity to Tile Hill Wood School and Language College and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 23 June 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tile Hill Wood School and Language College during the period 1 September 2015 to 31 August 2016 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 Tile Hill Wood School and Language College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Tile Hill Wood School and Language College and the EFA 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 Tile Hill Wood School and Language College and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Tile Hill Wood School and Language College's Accounting Officer and the Reporting Accountant**

The accounting officer is responsible, under the requirements of Tile Hill Wood School and Language College's funding agreement with the Secretary of State for Education dated 21 December 2011 and the Academies financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

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

We have undertaken testing as appropriate in accordance with the Academies Accounts Direction 2015 to 2016. This includes an evaluation of the control environment of the school, enquiry, analytical review and substantive testing.

**Independent Reporting Accountant's Assurance Report on Regularity to Tile Hill Wood School and Language College and the Education Funding Agency (continued)**

Our procedures included, but not limited to the following:

- Reviewing minutes of meetings, management accounts and made enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, review for any indication of purchase for personal use by staff, Head or Governors;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and made further enquiries into any such items where relevant;
- Taking a selection of nominal ledger accounts for evidence of unusual entries and made further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the School;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

**Conclusion**

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Moore Stephens LLP*

Moore Stephens LLP  
Chartered Accountants  
Birmingham

Date: 14/12/2016

Statement of Financial Activities for the year ended 31 August 2016

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 £000
<b>Income and endowments from:</b>						
Donations and capital grants	4	-	1	249	250	829
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	5	-	5,523	-	5,523	5,920
Other trading activities	6	25	267	-	292	262
Investments	7	1	-	-	1	2
<b>Total</b>		26	5,791	249	6,066	7,013
<b>Expenditure on:</b>						
Raising funds	6	-	133	9	142	143
<i>Charitable activities:</i>						
Academy trust's educational operations	8,9	-	6,154	568	6,722	6,756
<b>Total</b>		-	6,287	577	6,777	6,899
<b>Net income / (expenditure)</b>		26	(496)	(328)	(798)	114
Transfers between funds	18	(264)	138	126	-	-
		(238)	(358)	(202)	(798)	114
<b>Other recognised gains / (losses)</b>						
Actuarial gains / (losses) on defined benefit pension schemes	26	-	(1,131)	-	(1,131)	(98)
<b>Total comprehensive income / (expenditure)</b>		(238)	(1,489)	(202)	(1,929)	16
<b>Reconciliation of funds</b>						
Total funds brought forward		207	(1,616)	12,139	10,730	10,714
<b>Total funds carried forward at 31 August 2016</b>	18	(31)	(3,105)	11,937	8,801	10,730

All of the academy trust's activities derive from continuing operations during the above two financial periods.

Statement of Financial Activities for the year ended 31 August 2015

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000
<b>Income and endowments from:</b>					
Donations and capital grants	4	-	7	822	829
<i>Charitable activities:</i>					
Funding for the academy trust's educational operations	5	-	5,920	-	5,920
Other trading activities	6	26	236	-	262
Investments	7	2	-	-	2
<b>Total</b>		<b>28</b>	<b>6,163</b>	<b>822</b>	<b>7,013</b>
<b>Expenditure on:</b>					
Raising funds	8	-	134	9	143
<i>Charitable activities:</i>					
Academy trust's educational operations	8	-	6,254	502	6,756
<b>Total</b>		<b>-</b>	<b>6,388</b>	<b>511</b>	<b>6,899</b>
<b>Net income / (expenditure)</b>		<b>28</b>	<b>(225)</b>	<b>311</b>	<b>114</b>
Transfers between funds	18	-	-	-	-
<b>Other recognised gains / (losses)</b>					
Actuarial gains / (losses) on defined benefit pension schemes	26	-	(98)	-	(98)
<b>Net movement in funds</b>		<b>28</b>	<b>(323)</b>	<b>311</b>	<b>16</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		179	(1,293)	11,828	10,714
<b>Total funds carried forward at 31 August 2015</b>	18	<b>207</b>	<b>(1,616)</b>	<b>12,139</b>	<b>10,730</b>

Balance sheet as at 31 August 2016

Company Number 07654273

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
<b>Fixed assets</b>					
Tangible assets	14		11,937		12,022
<b>Current assets</b>					
Stock	15	10		4	
Debtors	16	217		194	
Cash at bank and in hand	24	48		774	
		275		972	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	17	(306)		(377)	
<b>Net current assets</b>			(31)		595
Total assets less current liabilities			11,906		12,617
<b>Net assets excluding pension liability</b>					
Pension scheme liability	26		(3,105)		(1,887)
<b>Net assets including pension liability</b>			8,801		10,730
<b>Funds of the academy:</b>					
<b>Restricted income funds</b>					
Fixed asset funds	18		11,937		12,139
General funds	18		-		271
Pension reserve	18		(3,105)		(1,887)
<b>Total restricted funds</b>			8,832		10,523
<b>Unrestricted income funds</b>	18		(31)		207
<b>Total funds</b>			8,801		10,730

These financial statements were approved by the governors, and authorised for issue on 14<sup>th</sup> December 2016 and are signed on their behalf by:

Roger Moore  
Chair



The notes on pages 23 to 37 form part of these financial statements.

Statement of Cash Flows for the year ended 31 August 2016

	Notes	2016 £000	2015 £000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	22	(484)	(160)
<b>Cash flows from investing activities</b>	23	(242)	91
<b>Change in cash and cash equivalents in the reporting period</b>		(726)	(69)
<b>Cash and cash equivalents at 1 September 2015</b>		774	843
<b>Cash and cash equivalents at 31 August 2016</b>	24	48	774



**Notes to the Financial Statements for the year ended 31 August 2016**

**1. General information**

Tile Hill Wood School and Language College is a charity limited by guarantee incorporated and domiciled in England & Wales.

The registered office is Nutbrook Avenue, Tile Hill, Coventry, CV4 9PW and the registered number is 07654273.

**2. Statement of Accounting Policies**

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

**Basis of Preparation**

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

Tile Hill Wood School and Language College meets the definition of a public benefit entity under FRS 102.

Information on the impact of first-time adoption of FRS 102 is given in note 28.

The academy trust has chosen to early adopt the amended Financial Reporting Standard 102 (September 2015).

Certain comparative amounts have been re-stated or re-classified to conform with the current year presentation.

The financial statements are prepared in Sterling which is the functional currency of the academy trust and rounded to the nearest £'000.

**Going Concern**

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

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

**2. Statement of Accounting Policies (continued)**

**Income**

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

- **Grants**

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

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

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

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

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

**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.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

**2. Statement of Accounting Policies (continued)**

**Tangible Fixed Assets**

Assets costing £1,000 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Long leasehold buildings	13-26 years (depending on expected remaining useful life)
Long leasehold land	125 years (over the life of the lease)
Fixtures, fittings and equipment	5 years

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

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

**Liabilities**

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

**Leased Assets**

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

**Stock**

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

**Taxation**

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

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

**Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

**2. Statement of Accounting Policies (continued)**

**Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit charges, 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.

**Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed 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 Education Funding Agency / Department for Education.

**3. Critical accounting estimates and areas of judgement**

In preparing the Financial Statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2015 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

4 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital Grants	-	249	249	822
Other donations	-	1	1	7
	-	250	250	829

5 Funding for academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
<b>DfE / EFA revenue grants</b>				
General Annual Grant (GAG)	-	5,286	5,286	5,625
Other DfE / EFA grants	-	232	232	284
	-	5,518	5,518	5,909
<b>Other Government grants</b>				
Local authority grants	-	5	5	11
	-	5	5	11
	-	5,523	5,523	5,920

6 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Hire of facilities	20	-	20	14
Other departmental income	-	176	176	130
School trips / fund income	-	91	91	106
Uniform income	5	-	5	12
	25	267	292	262

7 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	1	-	1	2
	1	-	1	2

8 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2016 £000	Total 2015 £000
		Premises £000	Other £000		
Expenditure on raising funds	-	9	133	142	143
Academy's educational operations:					
Direct costs	4,646	541	422	5,609	5,572
Allocated support costs	447	27	607	1,081	1,151
Governance costs	9	-	23	32	33
	5,102	577	1,185	6,864	6,899

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

8 Expenditure (continued)

Net income/(expenditure) for the period include:	2016 £000	2015 £000
Operating lease rentals	28	70
Depreciation	577	511
Fees payable to auditor for - audit	12	11
- other services	4	3
Legal and professional fees	7	10
Loss on disposal of fixed assets	-	2
Amount of stock recognised as an expense	8	12

9 Charitable Activities

	2016 £000	2015 £000
Direct costs – educational operations	5,609	5,572
Support costs – educational operations	1,081	1,151
Governance costs – educational operations	32	33
	<u>6,722</u>	<u>6,756</u>

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
<i>Analysis of support costs</i>				
Support staff costs	-	447	447	447
Depreciation	-	27	27	17
Premises costs	-	484	484	560
Other support costs	-	123	123	127
Governance costs	-	32	32	33
	-	<u>1,113</u>	<u>1,113</u>	<u>1,184</u>

10 Governance costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Legal and professional fees	-	7	7	10
Auditor's remuneration	-	12	12	11
• Audit of financial statements	-	4	4	3
• Accountancy, taxation and other services	-	9	9	9
Support staff costs	-	32	32	33
	-	<u>32</u>	<u>32</u>	<u>33</u>

**Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

**11 Staff costs**

Staff costs during the period were:	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	3,985	4,081
Social security costs	329	300
Pension costs	762	657
	<u>5,076</u>	<u>5,038</u>
Supply staff costs	26	42
	<u>5,102</u>	<u>5,080</u>

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	68	74
Administration and support	74	81
Management	7	7
	<u>149</u>	<u>162</u>

The average number of persons (including senior management team) employed by the academy during the year expressed as full time equivalents was as follows:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	57	66
Administration and support	61	58
Management	7	6
	<u>125</u>	<u>130</u>

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
	<u>1</u>	<u>1</u>

The key management personnel of the academy trust comprise the governors and the leadership group as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £752,672 (2015: £667,484).

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

**12 Governors' remuneration and expenses**

One or more governor has been paid remuneration or has received other benefits from an employment with the academy trust. The principle and other staff governor only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff members under their contracts of employment.

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

G O'Connor (Head teacher):	
Remuneration	£85k - £90k (2015: £85k - £90k)
Employer's pension contributions	£10k - £15k (2015: £10k - £15k)
D Bogusz (Staff Governor):	
Remuneration	£30k - £35k (2015: £30k - £35k)
Employer's pension contributions	£5k - £10k (2015: £0k - £5k)
C Denson (Staff Governor):	
Remuneration	£30k - £35k (2015: £30k - £35k)
Employer's pension contributions	£5k - £10k (2015: £0k - £5k)
P Flavell (Staff Governor):	
Remuneration	£10k - £15k (2015: £10k - £15k)
Employer's pension contributions	£0k - £5k (2015: £0k - £5k)
N Woodward (Staff Governor):	
Remuneration	£15 - £20k (2015: £10k - £15k)
Employer's pension contributions	£0k - £5k (2015: £0k - £5k)

During the period ending 31 August 2016 there were no reimbursed travel and subsistence expenses paid to trustees.

Further details regarding related party transactions involving the trustees are set out in note 27.

**13 Governors' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2016 was £207 (2015: £1,592). The cost of this insurance is included in the total insurance cost.

**14 Tangible Fixed Assets**

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Total £000
<b>Cost</b>			
At 1 September 2015	13,403	540	13,943
Additions	287	205	492
At 31 August 2016	13,690	745	14,435
<b>Depreciation</b>			
At 1 September 2015	1,629	292	1,921
Charged in period	442	135	577
At 31 August 2016	2,071	427	2,498
<b>Net book values</b>			
At 31 August 2016	11,619	318	11,937
At 31 August 2015	11,774	248	12,022



**Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

**15 Stock**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Uniform stock	10	4
	<u>10</u>	<u>4</u>

**16 Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	4	4
Prepayments	92	85
VAT Debtor	121	105
	<u>217</u>	<u>194</u>

**17 Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	113	196
PAYE & NI	183	167
Accruals and deferred income	10	14
	<u>306</u>	<u>377</u>

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

18 Funds

	Balance at 1 September 2015 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2016 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	271	5,286	(5,695)	138	-
Other grants	-	273	(273)	-	-
Other restricted income	-	232	(232)	-	-
Pension reserve	(1,887)	-	-	(1,218)	(3,105)
	<u>(1,616)</u>	<u>5,791</u>	<u>(6,200)</u>	<u>(1,080)</u>	<u>(3,105)</u>
<b>Restricted fixed asset funds</b>					
Capital grants	825	249	(215)	-	860
Transfer on conversion	11,305	-	(360)	-	10,943
Capital expenditure from other reserves	9	-	(2)	126	133
	<u>12,139</u>	<u>249</u>	<u>(577)</u>	<u>126</u>	<u>11,937</u>
<b>Total restricted funds</b>	<u>10,523</u>	<u>6,040</u>	<u>(6,777)</u>	<u>(954)</u>	<u>8,852</u>
<b>Total unrestricted funds</b>	207	26	-	(264)	(31)
<b>Total funds</b>	<u>10,730</u>	<u>6,066</u>	<u>(6,777)</u>	<u>(1,218)</u>	<u>8,801</u>

The General Annual Grant (GAG) has been provided by the DfE in order to fund the normal running costs of the Academy. During the period, the Academy's GAG income exceeded GAG expenditure and the balance will be carried forward to apply in future years and enable the establishment of a minimum prudent level of reserves to manage risks and unforeseen costs. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other grants include further grants received from the DfE/EFA including pupil premium, insurance grants and 16-19 Bursary income. All of the income received was fully expensed during the period.

Other restricted income represents the income and expenditure in relation to school trips that have been operated during the period. All of the income received was fully expensed during the period.

The restricted Pension reserve represents the deficit on the Academy's share of the Local Government Pension Scheme as at 31 August 2016.

19 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	11,937	11,937
Current assets	-	275	-	275
Current liabilities	(31)	(275)	-	(306)
Pension scheme liability	-	(3,105)	-	(3,105)
<b>Total net assets</b>	<u>(31)</u>	<u>(3,105)</u>	<u>11,937</u>	<u>8,801</u>

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

20 Capital commitments

	2016 £000	2015 £000
Contracted for, but not provided in the financial statements	101	288
	101	288

21 Financial commitments

*Operating leases*

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £000	2015 £000
Amounts due within one year	35	45
Amounts due between one and five years	44	36
Amounts due after five years	-	-
	79	81

22 Reconciliation of net income to net cash inflow from operating activities	2016 £000	2015 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(798)	114
Adjusted for:		
Depreciation (note 14)	577	511
Capital grants from DfE	(249)	(822)
Interest receivable (note 7)	(1)	(2)
Loss on disposal of fixed asset	-	1
FRS 102 pension cost less contributions payable (note 26)	15	(3)
FRS 102 pension finance costs (note 26)	72	32
Increase in debtors	(23)	(4)
Increase in stock	(6)	(4)
Increase in creditors	(71)	17
<b>Net cash provided by / (used in) Operating Activities</b>	<b>(484)</b>	<b>(160)</b>

23 Cash flows from investing activities	2016 £000	2015 £000
Dividends, interest and rents from investments	1	2
Purchase of tangible fixed assets	(492)	(734)
Receipts from sale of fixed assets	-	1
Capital grants from DfE/EFA	249	822
<b>Net cash provided by / (used in) investing activities</b>	<b>(242)</b>	<b>91</b>

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

24 Analysis of cash and cash equivalents	2016 £000	2015 £000
Cash in hand and at bank	48	774
Total cash and cash equivalent	48	774

**25 Members' Liability**

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

**26 Pension and similar obligations**

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

The latest actuarial valuation of the TPS relates to the period ended 31 March 2012 and of the LGPS 31 March 2015.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

**Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

**26 Pension and similar obligations (continued)**

**Teachers' Pension Scheme (continued)**

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £461k (2015: £412k).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £280k (2015: £281k), of which employer's contributions totalled £220k (2015: £222k) and employees' contributions totalled £60k (2015: £59k). The agreed contribution rates for future years are 15.8% for employers and a range of 5.5% to 8.5% depending on full-time equivalent salary for employees.

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

**Principal Actuarial Assumptions**

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
Rate of increase in salaries	3.75%	4.05%
Rate of increase for pensions in payment / inflation	2.0%	2.3%
Discount rate for scheme liabilities	2.2%	4.0%

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

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
<i>Retiring today</i>		
Males	23.1 years	23.0 years
Females	25.8 years	25.2 years
<i>Retiring in 20 years</i>		
Males	25.3 years	25.2 years
Females	28.1 years	28.0 years

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The academy trust's share of the assets in the scheme and were:

	Fair values at 31 August 2016 £000	Fair values at 31 August 2015 £000
Equities	1,592	1,214
Government bonds	186	150
Other bonds	230	205
Property	213	173
Cash liquidity	172	102
Other	289	187
<b>Total market value of assets</b>	<b>2,682</b>	<b>2,031</b>

The actual return on scheme assets was £415k (2015: £83k).

Amounts recognised in the statement of financial activities

	2016 £000	2015 £000
Current service cost (net of employer contributions)	15	3
Net interest cost	72	32
<b>Total operating charge</b>	<b>87</b>	<b>35</b>

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

	2016 £000	2015 £000
<b>At 1 September 2015</b>	<b>3,918</b>	<b>3,456</b>
Current service cost	235	218
Interest cost	157	139
Employee contributions	60	59
Losses on curtailments	-	1
Actuarial loss	1,460	74
Estimated benefits paid	(43)	(29)
<b>At 31 August 2016</b>	<b>5,787</b>	<b>3,918</b>

**Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

**26 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

**Changes in the fair value of academy's share of scheme assets:**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September 2015</b>	2,031	1,696
Interest on assets	86	71
Return on assets less interest	329	12
Administration Expenses	(1)	-
Employer contributions	220	222
Employee contributions	60	59
Estimated benefits paid	(43)	(29)
<b>At 31 August 2016</b>	<b>2,682</b>	<b>2,031</b>

**27 Related Party Transactions**

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is not unusual that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of accounts, other than certain trustee's remuneration and expenses already disclosed in note 12.

**28 First time adoption of FRS 102**

These financial statements are the first financial statements of Tile Hill Wood School and Language College prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP (SORP 2015). The financial statements of Tile Hill Wood School and Language College for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005. The date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not had a material impact on the Statement of Financial Activities or Balance Sheet.