

TITAN EDUCATION TRUST
(FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Members

Ms NA Walters
Mr C Parker
Mrs C Chapman-Lees
Mrs Avnish Dhesi
Mrs Saeed Haque
Mr Veeja Lingiah

Trustee

Ms NA Walters – Chair trustee
Mrs N Hutchison – (Executive head teacher)
Mrs J Saunders
Mr A Rashid
Mr L Farmer
Mrs T Huburn
Mrs S Hussain (resigned 27 September 2019)

Governors

Mrs J Saunders
Mr A Rashid
Mrs T Huburn
Mr M McDonald (Resigned in March)
Mrs N Ayling
Miss M Gittens

Senior Management Team:

Executive Head

Mrs N Hutchison	Mrs N Hutchison
Head of School	Mrs M Baker
Head of School	Mr D Edwards
Deputy Head – Teaching and Learning	Mrs E Hammond
Assistant Head – Data	Mr S Zaman
Assistant Head – Teaching and Learning	Mr J Wilson
Senior pastoral and welfare lead	Mrs N Ayling
Business Manager	Mr N Redfern (Resigned April 2019)
Chief Financial Officer	Mrs V Nirantharakumar (Appointed March 2019)

Principal and registered office

Titan Education Trust, St George's Community Hub, Great Hampton Row, Birmingham, B19 3JG

Independent auditors

MHA MacIntyre Hudson, Rutland House, 148 Edmund Street, Birmingham B3 2FD

Bankers

Lloyds Bank Plc, Colmore Row, Birmingham, PO Box 1000, BX1 1LT

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year period to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates two alternative provision academies for students aged 13 to 16. The academies are situated to the north-west of Birmingham city centre and accept students referred by secondary schools across the city who are at risk of permanent exclusion of for whom mainstream schools are not suitable. The trust opened in November 2018 and is tasked to achieve a student roll of 110 at Titan St George's Academy and 50 at Titan Aston Academy in the academic year 2018-19. The trust had 128 pupils on roll at the time of the summer 2019 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Titan Education Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members Liability

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

Trustees' Indemnities

In line with the requirements of the trust's Articles, trustees have been indemnified at the trust's expense to cover liability, which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the trust, provided there has been no act or omission resulting in a breach of trust or duty.

Method of Recruitment and Appointment or Election of Trustees

Under the Articles of Association, the trust may have appointed 5 Members, up to 7 independent trustees and 7 governors. It has the option to appoint any number of co-opted governors and staff governors as deemed appropriate, provided they do not exceed one third of the total local governing body. It may also determine and make all necessary arrangements for the election of parent governors who must be the parent of a registered student at the time they are elected. Currently it has not proved possible to recruit parent governors as specified in the Articles of Association.

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Trustees and governors are recruited and selected based on their knowledge, skill and experience, as determined by the Board of Trustees and are required to have a base knowledge in education, business, law and community life. Current governors have been recruited to fill the following champion roles:

- Business Links
- Church Representative
- Community Links
- Financial Advisor
- Partnership Schools

Identified competencies are clearly set out in role description and person specification and vacancies advertised locally to all sections of the community, except in the cases of recruitment of staff and parent governors or where a suitably qualified individual is recommended for a specific position or skill. In line with the trust's recruitment policy, a recruitment panel may be convened from time to time consisting of the Chair of the Board of Trustees and the Executive Headteacher and where required, two trustees who have served at least one term or an independent third party, as agreed by the Board of Trustees, to consider suitable individuals for nomination. All candidates are required to complete and submit an application form and skills assessment before being considered for a vacancy and will be interviewed by the recruitment panel. Appointments, with the exception of staff and parent governors who are approved by the governing body, are approved by members and will take into account the academy's Equality and Diversity Policy.

Policies and Procedures Adopted for the Induction and Training of Trustees

Titan Education Trust is committed to ensuring effectiveness of the Board of Trustees and the Local Governing Body in terms of purpose and performance. A Recruitment, Induction and Training Policy for trustees and governors has been implemented by the trust to enable the development of a well-balanced and diverse Board of Trustees and Local Governing Body which achieves the highest standards of governance and accountability. The policy details the procedures for a transparent recruitment and thorough induction of new trustees and governors, the terms of the Board of Trustees and Local Governing Body membership and continuing development.

In line with the policy, all newly appointed trustees and governors receive an induction pack, in which the trustees' and governors' code of conduct to be adhered to, is outlined and are invited to an induction during which the objectives of the trust, principles of good governance and roles and responsibilities of a director are provided. On induction new trustees and governors are asked to sign a letter of appointment agreeing their role and are provided with key documentation to support their role. From time-to-time the trust will arrange collective training or encourage trustees and governors to attend external training events as required which are evaluated for usefulness on completion.

Organisational Structure

The charitable company has become a multi academy trust now called Titan Education Trust. The trust consists of two academies; Titan St George's Academy and Titan Aston Academy. Titan Education Trust currently has six members and a Trust Board of seven trustees who are responsible for the overall leadership and strategic direction of the two academies. There is one Local Governing Body of seven governors who are responsible for the quality of education, outcomes, behaviour, welfare and safeguarding in the two academies.

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The day-to-day running of each academy is delegated to the Head of Schools. There is one Head of School on each site and are supported by the Head of Houses. Deputy Headteacher of St George's Academy is the Titan Education Trust Teaching and Learning Lead. Assisting her is the Assistant Headteacher of Teaching and Learning who is based at Titan Aston Academy. Below the senior leadership, middle leaders tier has been created which includes leaders for core and non-core subjects; spiritual, moral, social and cultural (SMSC) support; and careers, education, information, advice and guidance (CEIAG) support. This is followed by the qualified class teachers, house leaders, behaviour and attendance officers and teaching assistants.

Arrangements for setting pay & remuneration of key management personnel

Pay and remuneration for key staff is set by the Board of Trustees. Academy group size is determined as per section 2 of the School Teachers Pay & Conditions Document 2018. Teachers are paid in accordance with the current STRB guidelines and support staff in accordance with current NJC guidelines. All staff receive an annual pay review determined by the Governing Body with performance being judged against agreed targets.

Related Parties

Titan Education Trust is a member of the Titan Partnership Ltd which brings together a number of schools and academies in the north-west of the city. A substantial number of the secondary schools who are members of the trust refer pupils to Titan St George's Academy and Titan Aston Academy. The trust works closely with these institutions through such bodies as the local sharing panel which is led by Titan Partnership Ltd in order to ensure pupils at risk of exclusion from mainstream education are placed in alternative educational establishments to ensure the ongoing quality of their education.

The Titan Education Trust recruits members of its Board of Trustees and Local Governing Body from within but not exclusively from members of Titan Partnership Ltd.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principle object of the academy trust is to provide an alternative inclusion education for students who are unable access the curriculum in a mainstream setting, due to behaviour, social, and emotional issues. All students are either at risk of exclusion or have been excluded from home schools. The objects of the charitable company are set out in the trust's Articles of Association. The overall aim for the academy trust is derived from its mission statement which is "To give new direction" and in doing so, providing outstanding education in a creative environment for all our students.

The key aims of the Titan Education Trust are to;

- Recruit and retain qualified and experienced staff.
- Promote the academies to ensure pupil numbers remain at current levels.
- Continue the development of whole trust policies and procedures
- Develop evaluation of effectiveness of all trustees and governors
- Develop the use of ICT across the trust and the curriculum
- Ensure teaching and learning is moving towards outstanding
- Ensure staffing structures meets the needs of the curriculum, student welfare and statutory obligations
- Ensure the curriculum meets the needs of the students
- Provide high quality, careers education, information, advice and guidance
- Develop relationships with partnership schools within the NW network area
- Develop strategies to improve students' behaviour and attendance
- Maintain a strong financial position to resource sustainable trust improvement initiatives

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- Ensure that the staffing structures meets the needs of the curriculum, student welfare and statutory obligations
- Ensure the students are safe in the activities they engage in
Develop partnerships to promote health, community cohesion and pathways to voluntary organisations and employment

Objectives, Strategies and Activities

The key objectives for the forthcoming year are to:

- To prepare Titan Aston Academy for the pending Ofsted – to be ready to achieve at least GOOD in all areas.
- To develop and set up the Trust website
- To embed all practices, policies and procedures from Titan St George's Academy to Titan Aston Academy, ensuring consistency
- Introduce policies and best practices into the new academy to move it out of Special Measures.
- Provide a range of GCSE for students who are unable them to access mainstream school
- Ensure all students have a progression route at the end of KS4
- Improve student life skills, negative behaviour logs and attendance
- Ensure persistence absence is minimal

The activities for achieving the identified objectives are as follows:

- Recruitment of knowledgeable and experienced teaching and support staff
- Promote and embed interesting and accessible lessons
- Create an inviting and secure learning environment
- Put in place employability lessons and work experience related to future goals
- Liaise with businesses and colleges to give students work experience
- Encourage, guide and support students in their applications to their chosen progression route at the end of KS4
- Embed a mentoring programme within the trust to address current and potential issues
- Promote attendance
- Promote rewards
- Ensure all students and staff are aware of and use behaviour policies consistently.

There are no programme related investments to date.

Public Benefit

The trustees have ensured through review and monitoring of the activities of the academy trust that the primary objective of the academy trust to provide education for the public benefit has been met.

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STRATEGIC REPORT

Achievements/ Key Performance Indicators

Titan Education Trust has now completed its first year of operations and has consolidated on the foundations laid down. The academy had an Ofsted inspection during the academic year 2018-19 which resulted in a 'Good' judgement and has further consolidated its financial position. Highlights as detailed below.

- Good in all areas 'Ofsted' July 2019
- Successfully gained additional 30 spaces from ESFA
- Successfully formed a MAT and have re-brokered Titan Aston Academy (formerly CUL Academy)
- 60% 5+A*-G including English & Maths 68% 5+A*-G
- 100% any passes
- 100% Students currently in employment, education or training
- Exclusions have again shown a significant reduction over the previous 12 months.
- Attendance figures had a dip to 77% but still above benchmark for AP Academies. This is because at TSGA, a majority group of non-attenders who have persistent absenteeism at their previous school – (79/150).
- Students showing expected progress Year 9 48% Year 10 56% and Year 11 70% of which 40% in year 8/9, 32% in year 10 & 23% in year 11 are making rapid progress.
- Student numbers in line with forecasts 150 Students on role 31/8/2019
- Financial position consolidated with reserve established in line with projections and as provision regarding the new landlord pending court action supported by the ESFA.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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

In this financial year the Academy has received the majority of its funding by way of recurrent grants from the ESFA and in commissioners' fees from the home schools of students attending the academies.

Funding received during the financial year ending 31 August 2019 and associated expenditure are detailed in the statement of financial activities.

During the period ended the 31 August 2019 funding received from the ESFA, together with other resources, enabled the trust to cover its planned outgoing expenditure, in relation to the education of the students on the academy's role, and to form the MAT and take on Titan Aston Academy and further allowed the trust to maintain a small reserve in accordance with the trust's reserves policy.

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Reserves Policy

The trust adopts a strategic and pragmatic approach to reserves policy.

The Trustees review reserve levels on a regular basis. The review encompasses the nature of income and expenditure streams, and the need to match revenue income with commitments through budgetary control. The Trustees take into consideration the future plans of the trust and the uncertainty over future income streams.

The Trustees have determined that the appropriate minimum level of cash reserves should be approximately £80,000. The substantiation and reasoning behind this approach is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a contingency to deal with unexpected emergencies. Additional reserves were retained during the period to 31-8-19 as there were uncertainties with regard to the premises and as to the future intentions of the new landlord.

Investment Policy

The trust aims to manage its cash balances to provide for day to day working capital requirements of its operations whilst protecting the real long-term value of any surplus cash balances. In addition, the trust aims to invest surplus cash to optimise returns whilst at the same time ensuring there is no risk of loss to these cash funds.

To this end the Trustees have authorised the opening of an additional short term bank investment account to take advantage of higher interest rates.

Principal Risks and Uncertainties

Financial

The trust has considerable reliance on continued Government funding through the ESFA and the future viability of academy budgets when viewed against flat growth in funding against a rising cost pressure will increase the need for prudent budgeting and contingency planning, together with the need to ensure Commissioner funding is optimised whilst ensuring the trust remains competitive in the market place.

Premises

Currently Titan Education Trust has filed papers to court to bring the service level charge dispute with the landlord to a conclusion. The new landlord still insists that the Trust owes over £270,000. Titan Education Trust is disputing this cost stating the service level demand by the landlord which is set at £38,500 per calendar month is wholly unreasonable and is an increase of 264%. This is currently in the hands of the trust's solicitor with legal advice having been sought from a barrister. The ESFA are fully aware and approve the Trust decision to file papers to court.

Reputational

The continued success of the trust is subject to attracting sufficient student numbers. To achieve this the trust needs to ensure strong relationships with commissioning schools are maintained and built upon. This is subject to ensuring the highest educational standards are maintained. In order to ensure this the Senior Leadership and Trustees have set up reporting systems to closely monitor student progress and achievement and to enable intervention strategies to be introduced when appropriate.

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Safeguarding

The Board of Trustees continues to ensure that the highest standards are maintained in the selection recruitment and monitoring of staff and the operation of child protection policies and procedures. Senior Leadership ensure staff receive regular child protection and safeguarding training and updates. Safeguarding issues and reminders form a regular part of staff briefings.

Staffing

The success of the trust is reliant upon the quality of its staff. The Trustees monitor and review policies and processes to ensure continued development, training and retention of staff. Performance Management procedures have been enhanced to ensure all staff meet the very highest of standards in relation to all aspects of academy performance and operational management.

Fraud and Mismanagement of Funds

The Executive Head is appointed as the Accounting Officer and a Chief Financial Officer is employed to run day to day financial affairs. A Responsible Officer has been appointed to carry out audit and compliance checks on financial systems records and controls as recommended in the Financial Handbook.

The Academy has ensured robust financial systems are in place ensuring dual control of all funds with regular checks being undertaken by the accounting Officer.

A register of Operational Risks has been established and this is subject to regular review by the Governors.

PLANS FOR FUTURE PERIODS

During the academic year 2018-2019, the trust had 128 students on roll at the end of the academic year. The trust also had a number of students on role for short periods by arrangement with the home schools where behaviour mentoring was undertaken. This enabled the trust to commence the academic year 2019-20 with 78 students on role. Additionally, we have agreed to take an additional 25 students from the City of Birmingham School over the academic year whose places will be pre-paid. It is envisaged a strong demand will continue to be seen for places within the academy.

The trust will continue to adapt the curriculum to meet student needs and give a wider range of subjects for students to access. This will include the wider provision of vocational subjects which the academy students are more readily able to access. It will also strive to achieve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway whether it be into further and higher education or employment.

The curriculum, the quality of teaching and learning and informed interventions are subject to regular review to help every child reach their full potential. A mentoring programme which will include anger management, social skills and behaviour intervention is being developed to support all student needs and ensure that they are given the best foundations for their future.

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The trust believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop student commitment to lifelong learning and enrich their quality of life. To this extent, the trust will strive to provide exceptional behaviour and attendance management support to its students and offer a range of enrichment activities and off-site visits which are to be developed for students in order to support their wider learning. The off site visits are to run in conjunction with the behaviour policy and reward policy. The trust has taken the opportunity to become accredited to deliver the Duke of Edinburgh scheme which has further diversified the curriculum.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

None held

Auditor

In so far as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, 28 November 2019 and signed on the board's behalf by:

Signed

Ms NA Walters

Date: 28 November 2019

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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that Titan Education Trust Limited (also known as Titan St George's Academy and Titan Aston Academy) has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Executive 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 Titan Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

	Meeting attended	Out of a possible
Ms NA Walters – Chair trustee	4	4
Mrs N Hutchison – (Executive head teacher)	3	4
Mrs J Saunders	3	4
Mr A Rashid	4	4
Mr L Farmer	4	4
Mrs T Huburn	2	4
Ms S Hussain	4	4

Trustees are committed to undertaking regular reviews of its governance and as such subscribe to Boardpacks which is managed by the Governing Body Clerk. This portal allows all Trustees and Governors to access reports and information relating to the trust in line with their responsibilities. It also maintains a historical electronic record of meetings, declarations and members for inspection as required.

During the year the opportunity was taken to review the structures of the Governors committees and the decision was taken to dispense with Sub Committees and operate with one main Governors Committee which meets once per calendar month during term time.

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REVIEW OF VALUE FOR MONEY

As accounting officer, the Executive Headteacher 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 outcome 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:

Targeted Improvement/Focus on Individual Students

Staffing structure has been under constant review and has evolved considerably over the previous 12 months of operation to more effectively focus on the individual demands of our 'High Need' pupils. Greater emphasis has been placed on the recruitment of specialist High Level Teaching Assistants and mentors to provide one to one student support both in lessons which are led by qualified teaching staff and in dedicated mentoring sessions. Additional behavioural support staff have been employed with the skills and ability to deal with behavioural issues as they develop. Curriculum provision continues to be evaluated and modified with Maths English and Science remaining at the core of our provision. Other more activity-based subjects PE, Food Technology Drama and the Duke of Edinburgh scheme continue to be provided.

Collaboration

Academy collaborates with a number of academies within the North-West Network to provide CPD for both teaching and support staff, with targeted support being provided from within the network when individual needs are identified. The Titan Partnership Ltd brings together all schools with the North-West Network to ensure collaborative working on a range of issues giving economies of scale.

Financial Governance and Oversight

The trust has introduced a comprehensive set of financial controls and policies to ensure effective financial controls and governance.

- The Board of Trustees has members from the financial & business communities.
- Ongoing reviews of financial and operational risks have been undertaken by the Board of Trustees.
- Scheme of Delegation which includes guidelines on financial controls and the tendering and procurement processes.
- Accounting officer carries out a monthly overview to ensure financial controls are being followed.
- External auditor is appointed with whom the trust works closely and seeks advice where appropriate.
- Nominated Trustee undertakes financial oversight of the academies financial activities and carries out a financial review.
- All purchases where possible are made from companies who are on recognised preferred supplier lists.
- Monthly management accounts are produced which compare actual spend against budget forecasts.

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THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Titan Education Trust Limited for the period 1 September 2018 to 31 August 2019 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 academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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 Board of Trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees considered the need for a specific internal audit function and decided:

- to appoint S Hussain a member of the Board of Trustees as an internal auditor. She provides an oversight of the academies financial activities and carries out a financial review.

The internal auditors' 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:

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Checks of the following have been completed.

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- governance
- petty cash accounts
- assets
- insurance

The reviewer reports to the Board of Trustees providing an update on all financial matters including the current financial position of the trust.

REVIEW OF EFFECTIVENESS

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

- the work of the responsible officer
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the responsible officer and at the current time no weaknesses have been identified however further reviews are scheduled to take place on a regular basis to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 28 November 2019 and signed on its behalf by:

Signed

Signed

Ms NA Walters
Trustee

Mrs N Hutchison
Accounting Officer

Date: 28 November 2019

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

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.

Signed

Mrs N Hutchison
Accounting Officer

Date: 13 December 2019

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as governors of Titan Education Trust Limited and 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 Annual Accounts Direction published by the Education 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 in the Charities SORP
- 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
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 28 November 2019 and signed on its behalf by:

Ms NA Walters
Trustee

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)

Qualified opinion

We have audited the financial statements of Titan Education Trust (formerly The Titan Partnership Trust Limited) (the 'academy trust') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for qualified opinion

On 1 November 2018, the assets and liabilities of CUL Academy Trust Limited were transferred to Titan Education Trust under the terms of a transfer agreement to the company. Although under the terms of the agreement the joining Trust was required provide a statement of the assets and liabilities to transfer, this has not been provided. The net of the assets and liabilities transferred is reflected as a donation received in the year by Titan Education Trust. By virtue of the fact that no statement has been provided by the joining academy trust and Titan Education Trust does not have access to the accounting records for the period from the last set of audited accounts of CUL Academy Trust of 31 August 2019 to 1 November 2018 they have been unable to ascertain with certainty the value that should be attributed to the ration in respect specifically of the tangible fixed assets, other than land and buildings, debtors and creditors that have been included at £17,828 and £53,833 respectively. As a consequence our work was subject to a limitation in scope as we were not able to obtain satisfactory audit evidence in respect the following transferred at 1 November 2018 from CUL Academy Trust Limited

- the value of tangible fixed assets other than land and buildings
- the value of trade debtors, other debtors and prepayments
- the value of trade creditors, other creditors, accruals and deferred income.

We conducted an audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of the report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to the audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and have fulfilled 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 a qualified opinion.

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED) (CONTINUED)

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and Auditor's Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Directors Report, the Governance Statement, the statement on Regulatory, Propriety and compliance and the Trustees Responsibilities statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, do not express any form of assurance conclusion thereon.

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

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the value of the donation transferred in in respect of the joining academy. We have concluded that where other information refers to the balance of reserves carried forwad that they may be materially mistated for the same reason.

Opinion on other matters prescribed by the Companies Act 2006

In 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.

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED) (CONTINUED)

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

Arising solely from the limitation on the scope of our work relating to the donation transferred in from the joining academy referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

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

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED) (CONTINUED)

Use of our report

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

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

Rutland House

148 Edmund Street

Birmingham

West Midlands

B3 2FD

Date: 19 December 2019

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED) AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated [enter date here] and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Titan Education Trust (formerly The Titan Partnership Trust Limited) during the year 1 September 2018 to 31 August 2019 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 Titan Education Trust (formerly The Titan Partnership Trust Limited) and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Titan Education Trust (formerly The Titan Partnership Trust Limited) 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 Titan Education Trust (formerly The Titan Partnership Trust Limited) and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Titan Education Trust (formerly The Titan Partnership Trust Limited)'s accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Titan Education Trust (formerly The Titan Partnership Trust Limited)'s funding agreement with the Secretary of State for Education dated [enter date here] and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED) AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- reviewing minutes of the meetings of the governing body and other evidence made available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the multi-academy trust, with reference to the income streams and other information available to us as auditors of the multi-academy trust
- testing a sample of grants received and other income streams
- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties
- considerations of governance issues and
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquires of the accounting officer.

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson
Rutland House
148 Edmund Street
Birmingham
West Midlands
B3 2FD

Date: 19 December 2019

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	4	275	29,296	1,086,674	1,116,245	-
Charitable activities	5	733,309	1,787,333	-	2,520,642	1,732,787
Investments	6	394	-	-	394	539
Total income		733,978	1,816,629	1,086,674	3,637,281	1,733,326
Expenditure on:						
Charitable activities	8	673,631	1,796,511	86,783	2,556,925	1,755,018
Total expenditure		673,631	1,796,511	86,783	2,556,925	1,755,018
Net income		60,347	20,118	999,891	1,080,356	(21,692)
Transfers between funds	17	-	(31,785)	31,785	-	-
Net movement in funds before other recognised gains		60,347	(11,667)	1,031,676	1,080,356	(21,692)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	22	-	7,000	-	7,000	-
Net movement in funds		60,347	(4,667)	1,031,676	1,087,356	(21,692)
Reconciliation of funds:						
Total funds brought forward		207,489	-	740,621	948,110	969,802
Net movement in funds		60,347	(4,667)	1,031,676	1,087,356	(21,692)
Total funds carried forward		267,836	(4,667)	1,772,297	2,035,466	948,110

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

The notes on pages 25 to 51 form part of these financial statements.

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07947806

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	1,772,297	740,621
Current assets			
Debtors	15	56,283	22,301
Cash at bank and in hand	21	316,732	287,762
		<u>373,015</u>	<u>310,063</u>
Creditors: amounts falling due within one year	16	(80,846)	(102,574)
Net current assets		<u>292,169</u>	<u>207,489</u>
Total assets less current liabilities		<u>2,064,466</u>	<u>948,110</u>
Defined benefit pension scheme liability / asset	22	(29,000)	-
Total net assets		<u><u>2,035,466</u></u>	<u><u>948,110</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	1,772,297	740,621
Restricted income funds	17	24,333	-
Restricted funds excluding pension asset	17	1,796,630	740,621
Pension reserve	17	(29,000)	-
Total restricted funds	17	<u>1,767,630</u>	<u>740,621</u>
Unrestricted income funds	17	<u>267,836</u>	<u>207,489</u>
Total funds		<u><u>2,035,466</u></u>	<u><u>948,110</u></u>

The financial statements on pages 22 to 51 were approved by the Trustees, and authorised for issue on 28 November 2019 and are signed on their behalf, by:

Ms N A Walters

The notes on pages 25 to 51 form part of these financial statements.

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	19	60,361	58,236
Cash flows from investing activities	20	(31,391)	(11,666)
Change in cash and cash equivalents in the year		28,970	46,570
Cash and cash equivalents at the beginning of the year		287,762	241,192
Cash and cash equivalents at the end of the year	21	316,732	287,762

The notes on pages 25 to 51 form part of these financial statements

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. General information

Titan Education Trust is a charitable company limited by guarantee and incorporated in England and Wales. The address of the registered office, the principal place of operations, and the registered number are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

2. 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.

2.1 Basis of preparation of financial statements

The financial statements of the academy 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Titan Education Trust (formerly The Titan Partnership Trust Limited) meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in British Pound Sterling (£), the functional currency, and are rounded to the nearest £1.

2.2 Fund accounting

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

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

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

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

2.3 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 Academy 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.4 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 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.

2.5 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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**

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 year it is receivable and to the extent the Academy Trust has provided the goods or services.

Commissioners income is fees charged to the schools for places at the academies. The income is recognised in the year it is receivable and to the extent that the services have been provided.

• **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing Academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing Academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.6 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.

• **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 expenditure is inclusive of irrecoverable VAT.

2.7 Tangible fixed assets

Assets costing £1000 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 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:

Leasehold improvements	- over the term of the lease
Furniture and fixtures	- over 5 years
Computer equipment	- over 3 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.

2.8 Operating leases

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

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.9 Interest receivable

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

2.10 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.

2.11 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.

2.12 Liabilities

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

2.13 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.14 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement 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 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.15 Pensions

The Academy Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Academy Trust to the fund in respect of the year.

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

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

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

The judgements that have had a significant effect on amounts recognised in the financial statements are those covering the choice of depreciation policies and asset lives.

4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Transfer of net assets from CUL Academy Trust	275	29,296	1,086,674	1,116,245

In 2018, there were no donations or capital grants.

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5. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	1,516,667	1,516,667
Pupil premium	-	46,371	46,371
Devolved formula capital	-	25,049	25,049
Other DfE/ESFA Grants	-	60,934	60,934
MDIF/rebrokerage grants	-	138,312	138,312
Earned income from educational activities	707,914	-	707,914
Secondment income	25,000	-	25,000
Earned income from educational activities	395	-	395
Total 2019	733,309	1,787,333	2,520,642
	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
DfE/ESFA grants			
General annual grant (GAG)	-	1,100,000	1,100,000
Pupil premium	-	42,543	42,543
Devolved formula capital	-	5,924	5,924
Other DfE/EFSA grants	-	21,107	21,107
Earned income from educational activities	538,213	-	538,213
Secondment income	25,000	-	25,000
Total 2018	563,213	1,169,574	1,732,787

There are no unfulfilled conditions or other contingencies attached to the government grants above.

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6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	394	394	539

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Academy Trust educational operations:				
Direct costs	1,500,925	-	207,967	1,708,892
Allocated support costs	244,698	295,448	307,887	848,033
Total 2019	1,745,623	295,448	515,854	2,556,925
	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Academy Trust educational operations:				
Direct costs	1,070,263	-	196,517	1,266,780
Allocated support costs	126,289	183,827	178,122	488,238
Total 2018	1,196,552	183,827	374,639	1,755,018

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8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Academy Trust educational operations	673,631	1,883,294	2,556,925
	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Academy Trust educational operations	938,686	816,332	1,755,018

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Academy Trust educational operations	1,708,892	848,033	2,556,925
	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Academy Trust educational operations	1,266,780	488,238	1,755,018

Analysis of direct costs

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Total funds 2019 £	Total funds 2018 £
Staff costs	1,500,925	1,070,263
Depreciation	28,481	24,291
Educational supplies	67,546	53,107
Examination fees	14,911	16,091
Staff development	32,271	5,738
Consultancy	-	10,000
Off site education and other educational tools	64,758	87,290
	1,708,892	1,266,780

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	244,698	126,289
Depreciation	58,302	45,100
Technology costs	36,415	30,806
Recruitment	840	1,024
Maintenance of premises	36,251	10,243
Rent and service charge	199,267	173,584
Rates	36,628	-
Insurance	17,513	18,954
Security	23,302	15,535
Other	69,904	31,485
Lease charges	5,287	-
Legal and professional	69,618	8,300
Governance costs	50,008	26,918
	848,033	488,238

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10. Net income

Net income for the year includes:

	2019	2018
	£	£
Operating lease rentals	208,495	204,000
Depreciation of tangible fixed assets	86,783	69,391
Fees paid to auditor for:		
- audit	9,250	4,025
- other services	7,401	3,025
	<u>7,401</u>	<u>3,025</u>

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	1,397,232	948,951
Social security costs	148,014	92,590
Pension costs	132,360	87,877
	<u>1,677,606</u>	<u>1,129,418</u>
Agency staff costs	47,469	67,134
Staff restructuring costs	20,548	-
	<u>1,745,623</u>	<u>1,196,552</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £20,548 (2018: £Nil). Individually, the payments were: £7,500, £6,810 and £6,238.

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11. Staff costs (continued)

c. Staff numbers

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

	2019	2018
	No.	No.
Teaching and academic	33	25
Administration	6	4
Management	11	4
	50	33

d. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	1

e. Key management personnel

The key management personnel comprise the Executive Head, Heads of Schools and Business Manager/Chief Financial Officer. The total amount of employee benefits (including employer pension and national insurance contributions) in respect of key management personnel was £271,625 (2018: £213,392).

12. Trustees' remuneration and expenses

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

		2019	2018
		£	£
Mrs N Hutchison, Principal	Remuneration	70,000-	70,000-
		75,000	75,000
	Pension contributions paid	10,000-	10,000-
		15,000	15,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £nil).

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13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2019 cannot be separately identified from within the total insurance premium.

14. Tangible fixed assets

	Leasehold improve- ments £	Furniture and fixtures £	Computer equipment £	Total £
Cost				
At 1 September 2018	947,102	21,574	169,854	1,138,530
Additions	-	8,355	23,430	31,785
On acquisition of subsidiaries	1,046,814	11,970	27,890	1,086,674
At 31 August 2019	<u>1,993,916</u>	<u>41,899</u>	<u>221,174</u>	<u>2,256,989</u>
Depreciation				
At 1 September 2018	224,337	18,581	154,991	397,909
Charge for the year	58,302	4,641	23,840	86,783
At 31 August 2019	<u>282,639</u>	<u>23,222</u>	<u>178,831</u>	<u>484,692</u>
Net book value				
At 31 August 2019	<u>1,711,277</u>	<u>18,677</u>	<u>42,343</u>	<u>1,772,297</u>
At 31 August 2018	<u>722,765</u>	<u>2,993</u>	<u>14,863</u>	<u>740,621</u>

15. Debtors

	2019 £	2018 £
Trade debtors	28,409	1,650
VAT recoverable	7,876	6,909
Prepayments and accrued income	19,998	13,742
	<u>56,283</u>	<u>22,301</u>

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16. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	47,505	-
Other creditors	21,116	8,545
Accruals and deferred income	12,225	94,029
	80,846	102,574
	2019	2018
	£	£
Deferred income at 1 September 2018	-	-
Resources deferred during the year	475	-
Deferred income at 31 August 2019	475	-

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17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	207,489	733,978	(673,631)	-	-	267,836
Restricted general funds						
General Annual Grant (GAG)	-	1,516,667	(1,498,447)	(18,220)	-	-
Rebrokerage funding	-	138,312	(108,812)	(5,167)	-	24,333
Pupil premium	-	46,371	(46,371)	-	-	-
Devolved formula capital	-	25,049	(16,651)	(8,398)	-	-
Other grants	-	61,859	(61,859)	-	-	-
Transferred from CUL Academy	-	50,371	(50,371)	-	-	-
Pension reserve	-	(22,000)	(14,000)	-	7,000	(29,000)
	-	1,816,629	(1,796,511)	(31,785)	7,000	(4,667)
Restricted fixed asset funds						
Net Book Value of Fixed Assets	740,621	1,086,674	(86,783)	31,785	-	1,772,297
Total Restricted funds	740,621	2,903,303	(1,883,294)	-	7,000	1,767,630
Total funds	948,110	3,637,281	(2,556,925)	-	7,000	2,035,466

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

Unrestricted funds

Unrestricted funds are generally available to be applied towards meeting any of the charitable objects of the Academy at the discretion of the trustees.

General annual grant (GAG)

Restricted funds from the Education and Skills Funding Agency (ESFA) for the provision of education in line with the funding agreement.

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17. Statement of funds (continued)

Capital grants

This consists of Devolved Formula Capital (DFC) funding and other capital funding from the ESFA. DFC is to be used for ICT items, improvements to building and other facilities, capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the value of fixed assets agreement for the specific capital project applied for.

Other DfE/ESFA grants

Other funds provided by the ESFA for particular purposes within the academy's charitable purposes.

Pupil premium

Additional funds from the ESFA to support disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil that receives free school meals.

Other local authority

These funds include high needs funding from the Local Authority, funding for looked after children and funding the Department for Work and Pensions.

Pension reserve

This is the fund relating to the local government defined benefit pension scheme liability. The fund is in deficit but given the nature of the liability however, this is not payable immediately.

Restricted fixed asset fund

This represents the net book value of the fixed assets held by the Academy Trust. Depreciation is charged against this fund. This fund would also include any unspent capital grants at the year end. On purchase of fixed assets a transfer is made from the relevant fund.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Titan St George's Academy	237,534	207,489
Titan Aston Academy	27,655	-
Total before fixed asset funds and pension reserve	<u>265,189</u>	207,489
Restricted fixed asset fund	1,772,297	740,621
Pension reserve	(29,000)	-
Total	<u><u>2,008,486</u></u>	<u><u>948,110</u></u>

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 2019 £
Titan St George's Academy	1,120,361	127,041	145,311	416,814	1,809,527
Titan Aston Academy	380,564	117,657	34,175	128,219	660,615
	<u>1,500,925</u>	<u>244,698</u>	<u>179,486</u>	<u>545,033</u>	<u><u>2,470,142</u></u>

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17. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2018 £
Unrestricted funds					
General funds	177,380	563,752	(533,643)	-	207,489
Restricted general funds					
General Annual Grant (GAG)	-	1,100,000	(1,088,334)	(11,666)	-
Pupil premium	-	42,543	(42,543)	-	-
Other DfE/ESFA grants	-	21,107	(21,107)	-	-
	-	1,163,650	(1,151,984)	(11,666)	-
Restricted fixed asset funds					
Net Book Value of Fixed Assets	792,422	-	(69,391)	17,590	740,621
DfE/ESFA capital grants	-	5,924	-	(5,924)	-
	792,422	5,924	(69,391)	11,666	740,621
Total Restricted funds	792,422	1,169,574	(1,221,375)	-	740,621
Total funds	969,802	1,733,326	(1,755,018)	-	948,110

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	1,772,297	1,772,297
Current assets	348,682	24,333	-	373,015
Current liabilities	(80,846)	-	-	(80,846)
Provisions for liabilities and charges	-	(29,000)	-	(29,000)
Total 2019	<u>267,836</u>	<u>(4,667)</u>	<u>1,772,297</u>	<u>2,035,466</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	740,621	740,621
Current assets	310,063	-	310,063
Current liabilities	(102,574)	-	(102,574)
Total 2019	<u>207,489</u>	<u>740,621</u>	<u>948,110</u>

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

	2019	2018
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,080,356	(21,692)
Adjustments for:		
Depreciation	86,783	69,391
Capital grants from DfE and other capital income	-	(5,924)
Interest receivable	(394)	-
Defined benefit pension scheme cost less contributions payable	14,000	-
Defined benefit pension scheme finance cost	(2,000)	-
(Increase)/decrease in debtors	(33,982)	17,843
Decrease in creditors	(21,728)	(1,382)
Transfer in of fixed assets and pension liability of CUL Academy Trust	(1,062,674)	-
Net cash provided by operating activities	60,361	58,236

20. Cash flows from investing activities

	2019	2018
	£	£
Dividends, interest and rents from investments	394	-
Purchase of tangible fixed assets	(31,785)	(17,590)
Capital grants from DfE Group	-	5,924
Net cash used in investing activities	(31,391)	(11,666)

21. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	316,732	287,762

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22. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for 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 related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £18,179 were payable to the schemes at 31 August 2019 (2018 - £1,495) and are included within creditors.

Teachers' Pension Scheme

The Teacher's Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalue Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject to the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on the scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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 2019 was £15,000 (2018 - £ -), of which employer's contributions totalled £11,000 (2018 - £ -) and employees' contributions totalled £ 4,000 (2018 - £ -). The agreed contribution rates for future years are 17.4 per cent for employers and between 5.5% and 12.5% per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.65	
Rate of increase for pensions in payment/inflation	2.15	
Discount rate for scheme liabilities	1.9	

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22. Pension commitments (continued)

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	20.9	
Females	23.2	
<i>Retiring in 20 years</i>		
Males	22.6	
Females	25.1	

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	79,000	-
Discount rate -0.1%	84,000	-
Mortality assumption - 1 year increase	84,000	-
Mortality assumption - 1 year decrease	79,000	-
Pension inflation +0.1%	84,000	-
Pension inflation -0.1%	79,000	-

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

	At 31	At 31 August
	August 2019	2018
	£	£
Equities	31,000	-
Gilts	5,000	-
Corporate bonds	2,000	-
Property	4,000	-
Cash and other liquid assets	2,000	-
Other	8,000	-
Total market value of assets	52,000	-

The actual return on scheme assets was £2,000 (2018 - £Nil).

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22. Pension commitments (continued)

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

	2019 £	2018 £
Current service cost	25,000	-
Interest income	1,000	-
Interest cost	(1,000)	-
Total amount recognised in the Statement of Financial Activities	25,000	-

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

	2019 £	2018 £
Transferred in on existing academies joining the trust	56,000	-
Transferred out on existing academies leaving the trust	25,000	-
Interest cost	1,000	-
Employee contributions	4,000	-
Actuarial gains	(5,000)	-
At 31 August	81,000	-

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

	2019 £	2018 £
Transferred in on existing Academies joining the Trust	34,000	-
Interest income	1,000	-
Actuarial gains	2,000	-
Employer contributions	11,000	-
Employee contributions	4,000	-
At 31 August	52,000	-

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23. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	209,580	204,000
Later than 1 year and not later than 5 years	831,500	816,000
Later than 5 years	2,040,000	2,244,000
	<u>3,081,080</u>	<u>3,264,000</u>

24. 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.

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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25. Related party transactions

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

The following related party transactions took place in the financial period:-

Mrs C Chapman-Lees, a member of the Academy, is the chief executive of Titan Partnership Limited. Mrs S Hussain, a Trustee of the Academy in the year, is an employee of Titan Partnership Limited.

The academy is a member of Titan Partnership Limited and paid a subscription of £2,000 (2018: £1,106).

During the year payroll services were provided to the Academy by Titan Partnership Limited and consultancy services in connection with the transition to a Multi Academy Trust. Fees amounted to £29,770 (2018: £1,769).

At the end of the year, amounts due to Titan Partnership Limited stood at £11,484 (2018: £130).

During the year a member of staff employed by the academy was seconded to Titan Partnership Limited. The cost of £25,000 (2018: £25,000) was recharged to Titan Partnership Limited

Ms N A Walters, a Trustee of the Academy, is Head Teacher of King Edward VI Handsworth Wood Girls' Academy, a school where pupils have been placed at the Academy. The charges made by the Academy to the school are at the standard rates charged for other schools.

IT support services were supplied by King Edward VI Handsworth Wood Girls' Academy, totalling £3,000 (2018: £2,332).

In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook.

26. Controlling party

The charitable company has no ultimate controlling party.

TITAN EDUCATION TRUST (FORMERLY THE TITAN PARTNERSHIP TRUST LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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27. Transfer of existing academies into the Academy Trust

Titan Aston Academy (previously CUL Academy Trust Limited)

	Value reported by transferring Trust £	Transfer in recognised £
Intangible assets		
Tangible fixed assets		
Long-term leasehold property	1,046,814	1,046,814
Furniture and equipment	11,970	11,970
Computer equipment	27,890	27,890
Current assets		
Cash at bank and in hand	60,596	60,596
Liabilities		
Creditors due within one year	(9,025)	(9,025)
Pensions		
Pensions - pension scheme liabilities	(22,000)	(22,000)
Net assets	<u>1,116,245</u>	<u>1,116,245</u>