

MAIDEN ERLEGH TRUST

Annual Report and Financial Statements

31 August 2019

Company Limited by Guarantee
Registration Number
07548754 (England and Wales)

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Reference and administrative information

Members	N Jones R Nicholson H Jones J Dennis A Tarar
Trustees	N Jones (Chair) I May (Vice Chair) R Kenwick J Rothwell A Starnes L Bowden J Hobson M Bellamy C Toye T Hanley
Company Secretary	J Peck
Senior Management Team	
Chief Executive Officer	M Davies
Chief Financial and Operations Officer	J Peck
Director of Inclusion and Safeguarding	A Walker
Teaching School Director	R Hawthorne
Executive Head teacher - Primary	F Walker
Company registration number	07548754 (England and Wales)
Registered office	Maiden Erlegh School Silverdale Road Earley Reading RG6 7HS
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers NatWest
131 Crockamwell Road
Woodley
Reading
RG5 3XZ

Solicitors Winckworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

Trustees' report Year to 31 August 2019

The Trustees present their annual report together with the audited financial statements and auditor's report of the charitable company for the period 1 September 2018 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 four academies for pupils aged 3 to 18 across Berkshire and Oxfordshire. Our schools have a combined pupil capacity of 3,968 and had a roll of 3,455 in the school census on October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Maiden Erlegh 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 of Maiden Erlegh Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Maiden Erlegh 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

There were no provisions required for third party indemnity. In accordance with normal commercial practice, the Academy Trust has purchased indemnity insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. Details of this can be found in note 11.

Method of recruitment and appointment or election of Trustees

The Articles of Association provide for a minimum of three Trustees but (unless otherwise determined by ordinary resolution) shall not be subject to a maximum. The Articles provide for three categories of Trustee: Parent Trustees, Chief Executive Officer, should they agree so to act, and Co-Opted Trustees.

The Articles set out that there shall not be a requirement for Parent Trustees if parent representation is in place in the Local Advisory Boards ('LAB'). Parent members of LABs are nominated from within the parent community of each Academy and subject to a secret ballot where required.

Article 57 sets out that, providing that the Chief Executive Officer agrees so to act, the Members may, by ordinary resolution, appoint the Chief Executive Officer as a Trustee.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Trustees (continued)

The Trustees may appoint co-opted Trustees and they are appointed based on their skills and experience following an interview conducted by a sub-group of Trustees. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee.

The Trustees may appoint Executive Trustees through process as they may determine provided that the total number of Executive Trustees who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

The Trustees may appoint co-opted Trustees and they are appointed based on their skills and experience following an interview conducted by a sub-group of Trustees.

Policies and procedures adopted for the induction and training of Trustees

Induction for new Trustees and LAB members provides training on charity, educational, legal and financial matters. All new LAB members meet with the Headteacher and receive a tour of the school with the chance to meet staff and students. They are provided with copies of policies, procedures, minutes, budgets and any other documents necessary to undertake their role. New LAB members will be appointed as LAB Champions, who will focus on key areas of the schools' work based on the School Improvement Plan. They will meet with lead staff to monitor improvement at least three times a year.

All LAB members and Trustees have access to the National Governors Association training, resources, e-learning modules, helpline and e-bulletins, plus training and updates offered by Wokingham and Reading Borough Council Governor Services.

Organisational Structure

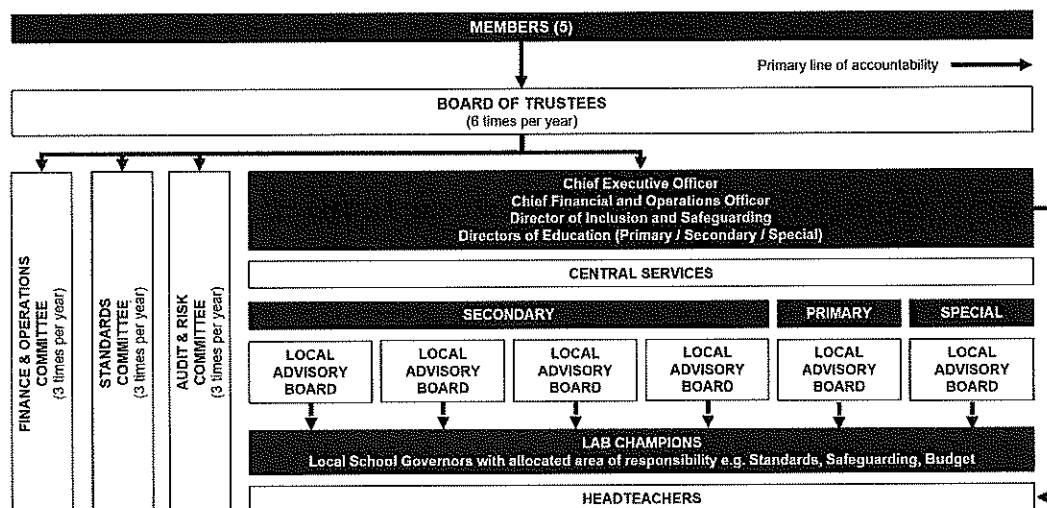
During the year 2018-19, the Academy Trust reviewed its governance structure. The Academy Trust has three sub-committees: Standards, Finance & Operations, and Audit & Risk. Other areas of governance are allocated to Trust Strategic Leads, each of whom is a Trustee with a specific area of strategic focus. They provide a link to each LAB or Trust Executive Officer so that communication flows between the Trust and the LABs, and Executive and the Trust board. They monitor their LAB/Executive links on their strategic planning and the impact of their work and identify and facilitate support as necessary. This structure allows for more focus to be placed on areas of strategic importance and ensures that key messages flow between the LAB's and the Academy Trust board.

The Chief Executive Officer and Directors of Education have oversight of the quality of teaching in each school and assess and report on the development, attainment and progress of pupils and students to the Board of Trustees on a regular basis.

The revised structure, in effect from 1 September 2019, is shown below:

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure (continued)



A Scheme of Delegation is in place which sets out the responsibilities and accountabilities of all levels of governance within the Academy Trust.

There also exists a Scheme of Financial Delegation which sits alongside the Financial Procedures Manual and this governs the level of financial authority devolved to each school.

Arrangements for setting pay and remuneration of key management personnel

Performance management and pay determination for the Chief Executive Officer is conducted by the Chair of the Academy Trust, a Trustee and an external advisor. Performance management and pay determination of the Chief Financial and Operations Officer is conducted by the Chief Executive Officer and the Chair of the Academy Trust. Performance management and pay determinations of other key management positions and Headteachers is conducted by the Chief Executive Officer and a Director in line with the Academy Trust's Pay Policy.

The Academy Trust has established pay ranges for its Executive Leadership and key management personnel, based on the principles of the STPCD and NJC terms. On determining appropriate pay ranges, the Academy Trust considers the permanent responsibilities of each role, any challenges that are specific to the role and all other relevant considerations.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time

◆ Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
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4	4
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◆ Percentage of time spent on facility time

Percentage of time	Number of employees
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0%	4
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1% - 50%	—
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51% - 99%	—
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100%	—
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◆ Percentage of pay bill spent on facility time

◆ Total cost of facility time	£nil
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◆ Total pay bill	£nil
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◆ Percentage of pay bill spent on facility time	0.0%
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◆ Paid trade union activities

◆ Time spent on paid trade union activities as a percentage of total paid facility time hours	nil
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Related Parties and other Connected Charities and Organisations

The Academy Trust is an approved sponsor and Teaching School. The Academy Trust's teaching school, Berkshire Teaching School Alliance, is under the day to day management of the Academy Trust. It is managed as a separate entity and is financially independent.

The Academy Trust has a long-standing association with Tyr Abad Residential Education Centre. Maiden Erlegh School was a founding member of the Centre and the Headteacher of Maiden Erlegh School is a Trustee of that organisation. The Academy Trust acts as an agent to facilitate payment of fees from parents to the Tyr Abad and these funds are held separately from the main Academy Trust funds.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Academy Trust's objects and aims are set out below:

- ◆ To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum;
- ◆ To promote for the benefit of the inhabitants of the areas in which the schools are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Maiden Erlegh Trust schools will excel at bringing out the best in students of all abilities. To do this we place students at the heart of what we do and work closely in partnership with parents and local business and associations. We provide:

- ◆ A safe, calm, respectful and happy place to work and learn.
- ◆ Stimulating and challenging learning for all.
- ◆ High quality and inspiring teaching.
- ◆ A rich and relevant curriculum.
- ◆ Varied and exciting extra-curricular opportunities which allow students to flourish outside the classroom.
- ◆ High quality and personalised pastoral care.

None of our schools will be complacent – we compare our work with that of the best schools in the country and continue to improve.

Objectives, strategies and activities

The strategic aims of the Academy Trust in relation to its schools for the year ended August 2019 are summarised below:

The schools in our Academy Trust will:

- ◆ Provide the best comprehensive education in the area and be in the top 10% of schools nationally.
- ◆ Provide a safe, respectful and calm environment in which to learn and work.
- ◆ Provide a quality of teaching which is typically no less than "good" and more often "outstanding".

OBJECTIVES AND ACTIVITIES (continued)

Objectives, Strategies and Activities (continued)

- ◆ Provide a broad and balanced integrated academic and enrichment curriculum so that students are motivated and enthused, achieve the highest standards and are prepared for the next phase of their lives.
- ◆ Provide useful information and feedback to students so they know how to improve and can take responsibility for that improvement.
- ◆ Provide useful information to parents so they can support their children's improvement.
- ◆ Provide effective support and development opportunities to staff and promote high levels of morale and job satisfaction.

The Academy Trust's strategies are encompassed in its values and ethos – its schools are schools of "opportunity, diversity and success for all", enabling students to develop socially as well as academically, be confident about themselves, motivated by a strong sense of personal worth and showing consideration for others. The Academy Trust and each of its constituent schools sets clear expectations and high standards of behaviour, promoting traditional values which underpin life-long learning and achievement.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's objectives and aims and in planning future activities for the year. The Trustees consider that the charitable company's aims are demonstrably to the public benefit.

Employees and disabled persons

Maiden Erlegh Trust is committed to providing equal opportunities for all staff and prospective employees and seeks to eliminate unlawful discrimination in all aspects of employment, including recruitment, promotion, opportunities for training, pay and benefits, discipline and selection for redundancy.

This is evident throughout the Academy Trust's Equality Policy, Recruitment and Selection Policy and the Accessibility Plans in place at each of our schools.

Maiden Erlegh Trust seeks to maintain positive relationships with employees through provision of information and consultation where appropriate, and meets with union representatives regularly.

OBJECTIVES AND ACTIVITIES (continued)

Achievements and performance

Academic performance indicators

Key Stage Five	2018				2019			
	Academic		Applied General		Academic		Tech Level	
	Av Grade	Value Added	Av Grade	Value Added	Av Grade	Value Added	Av Grade	Value Added
Maiden Erlegh School	B-	+0.17	M	-0.06	C+	0.02	D-	-1.15

Key Stage Four	2018					2019				
	Overall		English & Maths		EET	Overall		English & Maths		
	Prog 8	Attain 8	Gr 4+	Gr 5+		Prog 8	Attain 8	Gr 4+	Gr 5+	
Maiden Erlegh School	+0.65	57.4	84%	64%	97%	+0.73	57.6	86%	65%	
Maiden Erlegh Chiltern Edge	+0.05	43.5	58%	45%	94%	-0.17	40.3	49%	27%	

Great Hollands Primary School	2018								2019							
	Reading		Writing	Maths		RWM			Reading		Writing	Maths		RWM		
	Prog	Av Score	Prog	Prog	Av Score	Exp	Higher		Prog	Av Score	Prog	Prog	Av Score	Exp	Higher	
KS2	-1	103	-0.2	-0.1	102	49%	2%		+1.3	105	-0.8	+4.1	108	68%	6%	
KS1						60%	0%			102			103	67%	3%	

Maiden Erlegh School, Earley (11-18)

The school underwent an Ofsted section 8 inspection in September 2018 which confirmed on-going 'Good' rating. The report states that "the school has demonstrated strong practice and marked improvement in specific areas. This may indicate that the school has improved significantly overall". As a result, there will be a follow-up Section 5 Inspection before March 2020.

School achievements and highlights:

- ◆ Recruitment of a substantive Headteacher from January 2019.
- ◆ Further improvements in KS4 results and KS5 value added in line with national.
- ◆ Positive work to review the curriculum and its implementation.
- ◆ Quality of teaching, learning and assessment is consistently strong.
- ◆ Behaviour is excellent with extremely low rates of exclusion and bullying.
- ◆ Attendance is positive with below national persistent absence.
- ◆ Disadvantaged and SEND students perform well and achieve their goals.
- ◆ All Year 11 and Year 13 students have appropriate destinations in place before leaving the school.

OBJECTIVES AND ACTIVITIES (continued)

Maiden Erlegh School, Earley (11-18) (continued)

- ◆ Berkshire award for innovation in promotion of apprenticeships.
- ◆ National Equalities Award re-accreditation.
- ◆ SSAT Awards for top 10% performance in progress and attainment.
- ◆ Strong culture of the school identified by Ofsted and other external reports.
- ◆ Inclusion is a strength of the school and the recent restructure has resulted in an even more holistic approach to providing for the needs of students (academic, emotional and behavioural).
- ◆ Commitment to workload reduction and staff wellbeing (e.g.: reduced data collections and meetings).
- ◆ Oversubscribed with students and fully staffed for 2019/20.
- ◆ Significant reduction of structural deficit.
- ◆ Effective challenge from LAB and Trust (new LAB Chair from Autumn 2019).

Maiden Erlegh School in Reading (11-16)

This free school opened in September 2015 underwent its first Ofsted inspection in June 2018. The school was graded as 'Good' in all categories.

School achievements and highlights:

- ◆ The school's culture is aspirational and supportive – leaders have adapted extremely well to contextual issues but have maintained high expectations and standards.
- ◆ Inclusion is a strength and disadvantaged and SEND students are supported well towards goals.
- ◆ Leadership strengthened with an additional Assistant Headteacher to support pastoral and inclusion work.
- ◆ The school will have its first full set of public examination results in 2020 but Year 10 took GCSE RS with results above national in key measures.
- ◆ Positive work to review the curriculum and its implementation resulting in good standards of teaching, learning and assessment across the school.
- ◆ Behaviour is good with very low rates of exclusion and bullying.
- ◆ Attendance is positive and contributes to good progress.
- ◆ Oversubscribed with students and fully staffed for 2019/20.

OBJECTIVES AND ACTIVITIES (continued)

Maiden Erlegh School in Reading (11-16) (continued)

- ◆ Leaders have made necessary changes to timetable and environment to ensure full curriculum coverage.

In both cases, the impact of the Academy Trust has been acknowledged by Ofsted:

Maiden Erlegh School

"The board of Trustees provides highly effective support and challenge to school leaders. Trustees know their roles well and strong communication ensures that they have an accurate understanding of the school's strengths and priorities. The local advisory board champions hold leaders effectively to account for each aspect of the school's work and ensure that the impact of improvement plans is evaluated rigorously. Significantly, trustees have worked effectively with you to reduce the school's budget deficit in a way that has not jeopardised standards."

Maiden Erlegh in Reading:

"Leaders from the Maiden Erlegh Trust give effective support and challenge to the school's leaders. The headteacher is given strong guidance by the executive headteacher. The Trust has successfully recruited, developed and retained high-quality leaders, teachers and other staff. Professional development, including trust-wide training, is well targeted and effective. Leaders are managing the annual growth in staff and pupil numbers efficiently."

Great Hollands Primary School, Bracknell Forest (3-11)

The school joined the Academy Trust in 1 July 2017 as a sponsored academy. Since joining the Academy Trust, the school has made sustained improvement the leadership of its Headteacher and the support of the Director of Education - Primary.

School achievements and highlights:

- ◆ Leadership has been strengthened through on-going Trust support and the addition of a Curriculum Assistant Headteacher.
- ◆ Through links with the Trust and local English Hub, developments have been strengthened further.
- ◆ New Local Advisory Board established from September 2018.
- ◆ Fully staffed for 2018/2019.
- ◆ External reviews noted strong progress in terms of curriculum development, quality of teaching and establishing highly positive behaviour.
- ◆ Curriculum developments in English and Maths are now embedded and the school is now reviewing the foundation curriculum in the light of new research and expectations.
- ◆ The culture of the school is positive and inclusive with gaps between the performance of disadvantaged significantly improved.
- ◆ Stakeholder voice is positive about the developments at the school.

OBJECTIVES AND ACTIVITIES (continued)

Maiden Erlegh Chiltern Edge, South Oxfordshire (11-16)

The school joined the Academy Trust on 1 August 2018 as a sponsored academy. Significant investment has been put into the fabric of the school and school improvement impact is evident in many areas of the school's work.

School achievements and highlights:

- ◆ Significant investment in the fabric and infrastructure of the school.
- ◆ Improvements in behaviour through implementation of Academy Trust structures resulting in a significant reduction in exclusions.
- ◆ Safeguarding is a strength and the introduction of new software to record safeguarding concerns and management records has improved this further.
- ◆ Budget management strengthened.
- ◆ Staffing strengthened for September 2019, particularly in the core subjects.
- ◆ Taught curriculum underpinned by a varied enrichment programme.
- ◆ Personal Development is a strength with a robust PSMSC programme supplemented by a range of guest speakers and groups.
- ◆ Gatsby Benchmarks almost met and Trust Careers Programme in place.
- ◆ All Y11 students had a meaningful destination to go to in September.

Berkshire Teaching School Alliance

- ◆ The Berkshire Teaching School Alliance is made up of 14 schools and we collaborate with Reading University, Whiteknights English Hub and the Wokingham Federation in our work.
- ◆ We have 32 Specialist Leaders Education (primary and secondary) and 2 National Leaders of Education.
- ◆ We supported 10 Newly Qualified Teachers.
- ◆ We have trained 15 teachers in phase one and supported a further 15 on phase two (14 of our 15 gained Grade 1 or 2).
- ◆ We recruited 10 Schools Direct trainees for 2019/20.
- ◆ We also ran an internship programme for people interested in teaching and hosted 9 individuals.
- ◆ We have run a number of courses including our own aspiring middle leaders' course.
- ◆ Eleven Academy Trust staff have lead support or spoken at conferences and the CEO/NLE has supported five schools in the region.

OBJECTIVES AND ACTIVITIES (continued)

Pan-Trust achievements and highlights

- ♦ The Academy Trust has been approved to open a new secondary free school in Reading (2021) which will be called River Academy.
- ♦ The Academy Trust has been approved to sponsor Phoenix College a special SEMH school in Reading (expected from January 2020).
- ♦ Cranbury College, an alternative education provider, has elected to join the Academy Trust with effect from 1 January 2020.
- ♦ Governance reviewed and additional Members and Trustees recruited to strengthen skills base.
- ♦ Central Services strengthened through the recruitment of experienced Operations Director and Human Resources Director.
- ♦ The Academy Trust is financially robust.
- ♦ Grants secured to improve roofs in three schools.

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 Principal Accounting Policies.

FINANCIAL REVIEW

Financial report for the year

The Academy Trust receives the majority of its income from the Education and Skills Funding Agency ('ESFA') in the form of General Annual Grant ('GAG') and other grants. The funding received in the year and the associated expenditure are shown as restricted general fund transactions in the Statement of Financial Activities ('SOFA'), set out on page 29.

Grants are also received from the ESFA for fixed assets. In accordance with 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 United Kingdom and Republic of Ireland (the Charities SORP 2015), these grants are shown in the statement of financial activities as restricted income within the fixed assets fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful economic lives of the assets.

FINANCIAL REVIEW (continued)

Financial report for the year (continued)

During the year ended 31 August 2019, total income (excluding fixed asset fund income) was £19,263k (2018: £15,061k) and total expenditure (excluding depreciation) was £20,890k (2018: £16,784k). The surplus for the year, excluding movements on the pension reserve and restricted fixed assets, was £34k (2018: deficit of £453k).

As at 31 August 2019 the net book value of fixed assets was £56,976k (2018: £56,965k). These assets were used exclusively for providing education to the Academy Trust's pupils and related support services.

Reserves policy

The Trustees have determined that the appropriate level of reserves should be the equivalent of one month's payroll expenditure, which is approximately £1.3m. The Academy Trust's current level of free reserves at 31 August 2019 amounted to £1,394k, being the unrestricted funds balance. The reserve policy is reviewed annually.

As at 31 August 2019 the Academy Trust held fund balances of £51,897k (2018: £53,778k) comprising £50,503k (2018: £52,338k) restricted funds including a pension reserve deficit of £7,270k (2018: deficit of £5,150k) and £693k (2018: £1,440k) of unrestricted general funds.

The current level of reserves will be used by the Academy Trust to support strategic investments, any in-year deficits arising, and to create capacity for the expansion of the Academy Trust to deliver on its growth objectives.

The LGPS pension deficit is likely to be met in the longer term from a combination of increased employer and employee contributions, increased government funding or change to scheme benefits. The LGPS pension scheme was actuarially assessed in 2016, and due to be assessed again in 2019, which is the earliest time that contribution rates can be amended to deliver repayment in a reasonable time frame (currently 24 years).

Investment policy

The Maiden Erlegh Trust policy is to not operate an investment programme. Funds of the Academy Trust are held as cash with large listed banks.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees regularly assess the major risks to which it is exposed, in particular those relating to academic performance of the schools, safeguarding and welfare of staff and students, and the financial position of the Academy Trust. The Trustees review a detailed risk register with control measures and action plans in place in order to mitigate identified risks. The Academy Trust has an effective system of internal financial control in place with Responsible Officer services provided by the Centre for Education & Finance Management, and this work is overseen by the Audit & Risk Committee.

The risks identified are recorded in the Academy Trust's Risk Register and classified as Strategic, Operational, Compliance and Financial.

The Academy Trust has identified the principal risks and uncertainties:

- ◆ Increasing staff costs, including national insurance and pension contribution for both teaching and support staff. This is being addressed by constant review and development of school-level Integrated Curriculum Financial Plans and School Resource Management dashboards and identification of opportunities to benefit from economies of scale.
- ◆ Recruitment and retention of teaching and support staff. This is being addressed by placing more focus on expanding our Initial Teacher Training programme to provide more early career teachers into our Academy Trust schools, and developing further our strategies for recruitment and retention.
- ◆ Poor condition of estates and facilities. This is being addressed in a number of ways, including the sale of freehold property to generate capital receipt for investment purposes, and applications to the Condition Improvement Fund for specific capital projects.

FUNDRAISING

Each school within the Academy Trust will participate in charitable fundraising initiatives throughout the year. These will include initiatives such as non-uniform days, cake sales, selling poppies and the like. Prior to any fundraising activity taking place each school notifies pupils, parents and the community for what charitable initiative the funds are being raised, and these funds are ring-fenced for donation to that particular charitable initiative.

The Academy Trust has not received any complaints regarding its fundraising activity in the year.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue to develop and expand in line with its strategic plan. This will likely include sponsored schools, new free schools and elective conversions. The Trustees are actively looking to expand in the primary phase and also in to Special School and Alternative Provision education.

In July 2019, the Academy Trust were awarded a new Free School under Wave 13 of the Free Schools Programme, and work is underway to open River Academy, an 11-16 secondary school in Reading from September 2021.

PLANS FOR FUTURE PERIODS (continued)

The Trustees also recognise the benefit of being an approved sponsor and Teaching School and will look to increase the work we do through our Teaching School to bring high quality education to as many young people as possible in the communities where we have a presence.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds are held as Custodian Trustee on behalf of others by the Academy Trust.


AUDITOR

In so far as the Trustees are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ 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.

Buzzacott LLP were appointed as auditor for the Academy Trust during the year following a competitive tender process.

Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 10 December 2019 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'NP Jones', with a long horizontal line extending to the right.

Nicholas Jones

Chair of the Board of Trustees

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Maiden Erlegh 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 seven times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Nicholas Jones	7	7
Mr Ian May	6	7
Miss Mary Davies (resigned 16 July 2019)	6	7
Mr Jonathon Peck (resigned 29 October 2018)	1	1
Mr Robert Kenwick	7	7
Miss Lindsey Bowden	7	7
Mrs Jan Rothwell	5	7
Mr Alastair Starnes	7	7
Mr John Hobson	7	7
Ms Tara Hanley (appointed 11 June 2019)	2	2
Mr Michael Bellamy (appointed 4 December 2018)	5	5
Mr Christopher Toye (appointed 26 April 2019)	1	2

The composition of the Board of Trustees has changed in the year to 31 August 2019. Mr Mike Bellamy was appointed as a Trustee in December 2018 (non-Executive experience), Mr Christopher Toye was appointed as a Trustee in April 2019 (educational experience) and Ms Tara Hanley was appointed as a Trustee in May 2019 (educational experience).

Mr Jonathon Peck, Chief Financial and Operations Officer, resigned as a Trustee in October 2018 and Miss Mary Davies, Chief Executive Officer, resigned as a Trustee in July 2019.

Governance statement Year to 31 August 2019

Governance (continued)

The Academy Trust has increased the number of Members to five. Following the resignation of Mr Ian May as a Member, both Mr Amjad Tarar and Mr Richard Nicholson were appointed as Members in April 2019.

A Local Advisory Board was formed for Great Hollands Primary School from September 2018.

An Interim Transition Board continues to be in place for Maiden Erlegh Chiltern Edge, which is Chaired by the Chair of the Trust, and its members include the Chief Executive Officer, Chief Financial and Operations Officer, Mrs Jan Rothwell (Trustee), Mr Alastair Starnes (Trustee) and the Headteacher in an ex-officio capacity. It is envisaged this board will be in place until April 2020 upon which a Local Advisory Board will be formed.

Committees

From 1 September 2019, there was a new committee structure in place with the Board supported by three subcommittees: Standards, Finance and Operations, and Audit and Risk. However, in 2018/19, the following committee structure was in place.

Finance, audit and sites

The Finance, Audit and Sites committee is a sub-committee of the main Board of Trustees which meets at least three times per year to scrutinise the financial performance of the Academy Trust against the approved budget, to review the Risk Register and to review Trust-wide compliance in the areas of health and safety and other operational statutory areas.

Its purpose is to:

- ◆ Recommend the annual and strategic budget to the Board of Trustees
- ◆ Review the system of internal control, through monitoring of Responsible Officer reports
- ◆ Receive and respond to the annual audit report
- ◆ Recommend the Annual Report and Financial Statements for publication
- ◆ Review the Risk Register
- ◆ Monitor progress of major capital projects
- ◆ Monitor and review statutory Health and Safety compliance
- ◆ Review and approve all applicable policies and procedures
- ◆ Oversight and scrutiny of schools in deficit

Attendance at meetings in the year was as follows:

Committees (continued)

Finance, audit and sites (continued)

Trustee	Meetings attended	Out of a possible
Mr Nick Jones (Convenor)	3	3
Mr Ian May	2	3
Mr Bob Kenwick	3	3
Mr Alastair Starnes	3	3
Miss Mary Davies (in attendance)	1	3
Mr Jonathon Peck (in attendance)	3	3

Appraisal

This committee meets annually to ensure that the annual appraisal process is delivered within the policy guidelines and remains a fair and robust system for all staff. The Committee advises the Academy Trust on the effectiveness of the policy.

Its purpose is to:

- ◆ Ensure that the appraisal process is conducted in compliance with the appraisal policy
- ◆ Approve pay progressions as recommended by the Executive Leadership

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr John Hobson	1	1
Mr Ian May	1	1
Mrs Jan Rothwell	1	1

Review of Value for Money

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

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

- ◆ Improving educational outcomes across the Academy Trust with demonstrable improvement in results across all schools;
- ◆ Ensuring that all schools are staffed with suitably qualified teachers and support staff, thereby reducing the reliance on supply;

Review of Value for Money (continued)

- ◆ Setting a balanced budget for financial year 2019-2020; and
- ◆ Undertaking Integrated Curriculum Financial Planning reviews at all schools and identifying action plans to ensure all schools benchmark well against national comparators.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Maiden Erlegh Trust 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 are 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, Audit and Sites Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- ◆ setting targets to measure financial and other performance.
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines.
- ◆ delegation of authority and segregation of duties.
- ◆ identification and management of risks.

The risk and control framework (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor at this stage. The Academy Trust, however, continues to use the services of the Centre for Education and Finance Management Ltd as its Responsible Officer ('RO').

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

- ♦ testing of payroll systems
- ♦ testing of procurement systems
- ♦ testing of control account/ bank reconciliations
- ♦ testing of income systems

On a termly basis, the RO reports to the Academy Trust on the operation of the systems of control and on the discharge of their financial responsibilities as required by the ESFA. The Academy Trust believes that the RO function has been fully delivered in line with the ESFA's requirements. No material control issues have arisen as a result of the RO's work.

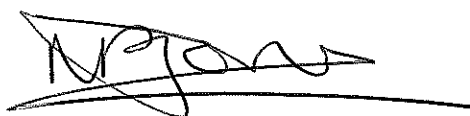
Review of effectiveness

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

- ♦ the work of the Responsible Officer
- ♦ the work of the external auditor
- ♦ the work of the Chief Financial and Operations Officer who has the day to day 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 Finance, Audit and Sites Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 10/12/19 and signed on its behalf by:



Nicholas Jones
(Chair of the Board of Trustees)



Mary Davies
(Accounting Officer)

Statement of regularity, propriety and compliance Year to 31 August 2019

As Accounting Officer of Maiden Erlegh Trust 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 2018.

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 2018.

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.



Mary Davies
Accounting Officer

Date: 10/12/19

Statement of Trustees' responsibilities Year to 31 August 2019

The Trustees (who act as governors of Maiden Erlegh Trust 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:

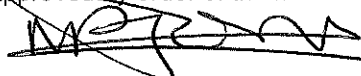
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- ◆ make judgements and accounting estimates that are reasonable and prudent;
- ◆ state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees and signed on its behalf by:



Chair of the Board of Trustees

Approved on:

10/12/19.

Independent auditor's report to the members of Maiden Erlegh Trust

Opinion

We have audited the financial statements of The Maiden Erlegh Trust (the 'academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, incorporating an Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 and Skills Funding Agency.

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 the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our 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 Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Independent auditor's report on the financial statements Year to 31 August 2019

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 (covers the reference and administrative details, the report of the trustees and strategic report and the governance statement)

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the strategic report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 strategic report and the directors' report.

Independent auditor's report on the financial statements Year to 31 August 2019

Matters on which we are required to report by exception (continued)

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the 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 directors 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: <http://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Buzzacott LLP 13 December 2019

Shachi Blakemore
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting accountant assurance report on regularity to Maiden Erlegh Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 May 2019 and further to the requirements of the Education and 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 Maiden Erlegh Trust during the period 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 Maiden Erlegh Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Maiden Erlegh Trust 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 Maiden Erlegh Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Maiden Erlegh Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of Maiden Erlegh Trust's funding agreement with the Secretary of State for Education dated 31 March 2011 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 period 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.

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.

Independent reporting accountant's report on regularity Year to 31 August 2019

Approach (continued)

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 to our conclusion includes:

- ◆ a review of the conclusions reached on regularity and propriety in the prior years, including the actions taken in respect of points raised in the auditor's management letter;
- ◆ a review of minutes of meetings of the Governing Body and key sub-committees;
- ◆ checking a sample of expenditure transactions to ensure that they do not contravene the funding agreement and have authorised in accordance with the Academy's financial procedures and/or the Academies Financial Handbook;
- ◆ evaluating and documenting internal controls and testing their application by walkthrough.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.

Buzzacott LLP 13 December 2019

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including income and expenditure account)
Year to 31 August 2019

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2019 Total funds £'000	2018 Total funds £'000
Income and endowments from:						
Donations and capital grants	2	33	47	1,614	1,694	337
. Transfer from local authority on conversion		—	—	—	—	15,028
Charitable activities:						
. Funding from the academy trust's educational operations	3	—	17,742	—	17,742	14,080
. Teaching school	30	—	150	—	150	94
Other trading activities	4	852	428	—	1,280	785
Investments	5	11	—	—	11	4
Total income		896	18,367	1,614	20,877	30,328
Expenditure on:						
Raising funds	6	656	—	—	656	717
Charitable activities:						
. Academy's educational operations	6,7	—	20,107	1,409	21,516	17,255
. Teaching school	6,30	—	127	—	127	102
Total expenditure	6	656	20,234	1,409	22,299	18,074
Net income/(expenditure)		240	(1,867)	205	(1,422)	12,254
Transfers between funds		(286)	286	—	—	—
Other recognised (losses)/gains						
Actuarial (losses)/gains on defined benefit pension scheme	17,25	—	(459)	—	(459)	1,551
Net movement in funds		(46)	(2,040)	205	(1,881)	13,805
Reconciliation of funds						
Total fund balances brought forward at 1 September		1,440	(4,537)	56,875	53,778	39,973
Total fund balances carried forward at 31 August		1,394	(6,577)	57,080	51,897	53,778

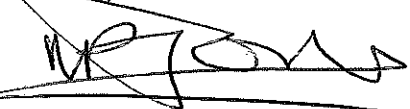
All of the Trust's activities derive from continuing operations.

The Accounting Policies and Notes on pages 32 - 56 form part of these financial statements.

Balance sheet Year to 31 August 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Intangible assets	12		30		—
Tangible assets	13		56,976		56,965
			57,006		56,965
Current assets					
Debtors	14	530		884	
Cash at bank and in hand		3,203		2,519	
		3,733		3,403	
Liabilities					
Creditors: amounts falling due within one year	15	(1,450)		(1,341)	
Net current assets			2,283		2,062
Total assets less current liabilities			59,289		59,027
Creditors: amounts falling due after more than one year	16		(122)		(99)
Net assets excluding pension liability			59,167		58,928
Defined benefit pension scheme liability	25		(7,270)		(5,150)
Total net assets			51,897		53,778
Funds of the Academy Trust					
Restricted funds					
. Fixed assets fund	17	57,080		56,875	
. Restricted income fund	17	693		613	
. Pension reserve	17	(7,270)		(5,150)	
Total restricted funds			50,503		52,338
.Unrestricted income funds	17		1,394		1,440
Total funds	18		51,897		53,778

The financial statements and the accounting policies and notes on pages 32 - 56 were approved by the Trustees and authorised for issue on 10/12/19 and are signed on their behalf by


 Nicholas Jones
 Chair of the Trust
 Maiden Erlegh Trust
 Company Limited by Guarantee
 Registration Number: 07548754 (England and Wales)

Statement of cash flows Year to 31 August 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	486	(658)
Cash flows from investing activities	22	176	(352)
Cash flows from financing activities	21	23	(30)
Change in cash and cash equivalents in the reporting period		685	(1,040)
Cash and cash equivalents at 1 September		2,518	3,559
Cash and cash equivalents at 1 September	23	3,203	2,519

The Accounting Policies and Notes on pages 32 - 56 form part of these financial statements.

Principal accounting policies Year to 31 August 2019

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 company 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.

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 period is deducted from income and recognised as a liability.

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

Principal accounting policies Year to 31 August 2019

Income (continued)

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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, catering income and trips income, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'. Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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 but 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.

Principal accounting policies Year to 31 August 2019

Expenditure (continued)

Expenditure on raising funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £1,500 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. The related grants are recognised as income and credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed assets fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related assets on a basis consistent with the Academy Trust's depreciation policy.

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

♦ Buildings	2%
♦ Long leasehold improvement	4%
♦ Computer equipment	25%
♦ Furniture and fittings	12.5%
♦ Plant and machinery	10%

Assets in the course of construction are included at cost. This includes those assets transferred from local authorities, not complete, at the cost recorded in the local authority's records. Depreciation on these assets is not charged until they are brought into use.

Principal accounting policies Year to 31 August 2019

Tangible fixed assets (continued)

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 or where the remaining useful life is in excess of 50 years. 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.

Intangible Fixed Assets

All intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible 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:

- ♦ Purchased computer software 20%

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.

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.

Leased assets

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

Principal accounting policies Year to 31 August 2019

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.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Principal accounting policies Year to 31 August 2019

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 funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

Estimates and judgements 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. 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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.

Notes to the financial statements Year to 31 August 2019

1 General Annual Grant (GAG)

Under a variation to the funding agreement with the Secretary of State dated 27 July 2018, the Trust may carry forward any unspent GAG from previous financial years without limit (unless a limit is specified in the Academies Financial Handbook, or otherwise as specified in writing by the Secretary of State, in which case that limit will apply). No such restriction has been specified for the year ended 31 August 2019.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000
Capital grants	—	1,614	1,614
Donations	33	47	80
	33	1,661	1,694

	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000
Capital grants	—	239	239
Donations	98	—	98
	98	239	337

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000
DfE/ESFA grants			
. General annual grant (GAG)	—	15,894	15,894
. Start up grants	—	27	27
. Other DfE group grants	—	1,369	1,369
	—	17,290	17,290
Other government grants			
. Local authority grants	—	452	452
	—	452	452
	—	17,742	17,742

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

	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000
<i>DfE/ESFA grants</i>			
General annual grant (GAG)	—	12,918	12,918
Other DfE group grants	—	752	752
	—	13,670	13,670
<i>Other government grants</i>			
Local authority grants	—	410	410
Special educational projects	—	—	—
	—	410	410
	—	14,080	14,080

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000
Hire of facilities	232	—	232
Catering income	458	—	458
Trip income	—	428	428
Community Arts income	25	—	25
Miscellaneous income	137	—	137
	852	428	1,280

	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000
<i>Hire of facilities</i>	109	—	109
<i>Catering income</i>	380	—	380
<i>Trip income</i>	—	232	232
<i>Uniform sales in year</i>	37	—	37
<i>Community Arts income</i>	27	—	27
	553	232	785

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000
Short term deposits	11	—	11
	11	—	11

	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000
<i>Short term deposits</i>	4	—	4
	4	—	4

Notes to the financial statements Year to 31 August 2019

6 Expenditure

	Staff costs £'000	Non pay expenditure		2019 Total funds £'000
		Premises £'000	Other costs £'000	
Expenditure on raising funds	354	2	300	656
Academy's educational operations:				
. Direct costs	12,205	—	1,583	13,788
. Allocated support costs	4,184	2,793	751	7,728
Teaching School – direct	75	—	18	93
Teaching School – support	9	—	25	34
	16,827	2,795	2,677	22,299

	Staff costs £'000	Non pay expenditure		2018 Total funds £'000
		Premises £'000	Other costs £'000	
Expenditure on raising funds	231	5	481	717
Academy's educational operations:				
. Direct costs	10,350	—	1,176	11,526
. Allocated support costs	2,995	2,297	437	5,729
Teaching School – direct	75	—	2	77
Teaching School – support	15	—	10	25
	13,666	2,302	2,106	18,074

	2019 £'000	2018 £'000
Net income/(expenditure) for the period includes:		
Operating lease rentals	92	19
Depreciation	1,409	1,290
Fees payable to auditor for:		
. Audit	12	14
. Other services	7	4

Notes to the financial statements Year to 31 August 2019

7 Charitable activities - academy's educational operations

	2019 Total funds £'000	2018 Total funds £'000
Direct costs – educational operations	13,788	11,526
Support costs – educational operations	7,728	5,729
	21,516	17,255

	2019 Total funds £'000	2018 Total funds £'000
Analysis of support costs		
Support staff costs	4,184	2,995
Depreciation	1,409	1,290
Technology costs	273	232
Premises costs	1,384	1,007
Other support costs	458	126
Governance costs	20	79
Total support costs	7,728	5,729

Notes to the financial statements Year to 31 August 2019

8 Comparative information

Analysis of income and expenditure in the year ended 31 August 2018 between restricted and unrestricted funds:

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2018 Total funds £
Income and endowments from:					
Donations and capital grants	2	98	—	239	337
. Transfer from local authority on conversion		—	—	15,028	15,028
Charitable activities:					
. Funding from the academy trust's educational operations	3	—	14,080	—	14,080
Teaching school	30	—	94	—	94
Other trading activities	4	553	232	—	785
Investments	5	4	—	—	4
Total income		655	14,406	15,267	30,328
Expenditure on:					
Raising funds		717	—	—	717
Charitable activities:					
. Academy's educational operations		—	15,965	1,290	17,255
Teaching school		—	102	—	102
Other		—	—	—	—
Total expenditure	6	717	16,067	1,290	18,074
Net (expenditure)/income		(62)	(1,661)	13,977	12,254
Other recognised gains					
Actuarial gains on defined benefit pension scheme	25	—	1,551	—	1,551
Net movement in funds		(62)	(110)	13,977	13,805
Reconciliation of funds					
Total fund balances brought forward at 1 September 2017		1,502	(4,427)	42,898	39,973
Total fund balances carried forward at 31 August 2018		1,440	(4,537)	56,875	53,778

9 Staff

(a) Staff costs

Staff costs during the year were:

	2019 Total funds £'000	2018 Total funds £'000
Wages and salaries	11,721	9,603
Social security costs	1,124	865
Operating costs of defined pension schemes	3,640	2,828
	16,485	13,296
Staff supply costs	342	367
Staff restructuring costs	—	3
	16,827	13,666

Staff restructuring costs comprise:

	2019 Total funds £'000	2018 Total funds £'000
Severance payments	—	3
	—	3

(b) Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2018: nil).

(c) Staff numbers

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

Charitable activities	2019 No.	2018 No.
Teachers	207	175
Administration and support	292	257
Management	31	17
	530	449

9 Staff (continued)

(d) Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	9	5
£70,001 - £80,000	1	1
£90,001 - £100,000	2	—
£110,001 - £120,000	1	1

(e) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £384,000 (2018: £403,510).

10 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 Executive Trustees only receive remuneration in respect of services they provide undertaking the roles as staff members under their contracts of employment.

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

	2019 £'000	2018 £'000
Miss M Davies (Chief Executive Officer and Trustee – resigned 16 July 2019)		
. Remuneration	110 – 115	110 – 115
. Employer's pension contributions	20 – 25	15 – 20
Mr J Peck (Chief Financial and Operations Officer and Trustee – resigned 29 October 2018)		
. Remuneration	15 – 20	75 – 80
. Employer's pension contributions	0 – 5	10 – 15

During the period ended 31 August 2019, travel and subsistence expenses totalling £2,000 were reimbursed or paid directly to 11 Trustees (2017: £1,705 to five Trustees).

11 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. From April 2015, the Trust joined the Department for Education's Risk Protection Arrangement ('RPA') as an alternative to insurance through which the cost of risks that materialise will be covered by government funds. These arrangements provide Trustees liability cover up to £10,000,000 for each and every loss and unlimited professional indemnity other than libel, slander or defamation which is limited to £500,000 for each and every loss. The cost of the RPA is included in the total insurance cost.

Notes to the financial statements Year to 31 August 2019

12 Intangible fixed assets

	Computer software £'000
Cost	
At 1 September 2018	—
Additions	30
At 31 August 2019	30
Net book value	
At 31 August 2018	—
At 31 August 2019	30

13 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Long leasehold improvements £'000	Assets under construction £'000	Furniture and equipment £'000	Computer equipment £'000	Plant and machinery £'000	Total £
Cost								
At 1 September 2018	13,500	44,911	2,731	201	72	915	539	62,869
Additions	—	—	99	1,074	16	216	15	1,420
Transfers	—	—	172	(201)	29	—	—	—
At 31 August 2019	13,500	44,911	3,002	1,074	117	1,131	554	64,289
Depreciation								
At 1 September 2018	—	4,578	416	—	36	555	319	5,904
Charged in the year	192	843	109	—	6	226	33	1,409
At 31 August 2019	192	5,421	525	—	42	781	352	7,313
Net book values								
At 31 August 2018	13,500	40,333	2,315	201	36	360	220	56,965
At 31 August 2019	13,308	39,490	2,477	1,074	75	350	202	56,976

14 Debtors

	2019 £'000	2018 £'000
Trade debtors	43	50
VAT recoverable	186	623
Other debtors	6	—
Prepayments and accrued income	295	211
	530	884

15 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	371	432
Other taxation and social security	280	246
Other creditors	15	—
Accruals and deferred income	752	631
Loan (note 16)	32	32
	1,450	1,341

16 Creditors: amounts falling due in greater than one year

	2019 £'000	2018 £'000
Other creditors	122	99
	122	99

Analysis of loans

Less than one year (note 15)	2019 £'000	2018 £'000
Salix loan – boiler and heating system replacement (1)	15	15
Salix loan – roofing project (2)	3	3
CIF loan – roofing project (3)	10	10
Salix loan – LED lighting upgrade (4)	4	4
	32	32

More than one year (above)	2019 £'000	2018 £'000
Salix loan – boiler and heating system replacement (1)	45	60
Salix loan – roofing project (2)	2	5
CIF loan – roofing project (3)	10	20
Salix loan – LED lighting upgrade (4)	10	14
Salix loan – roofing project (5)	55	—
	122	99

(1) Loan of £120k from SALIX provided at 0% over 8 years has £60k remaining and is repayable at £15k per annum. Maturity date 1 March 2023.

(2) Loan of £12k from SALIX provided at 0% over 4 years has £4.5k remaining and is repayable at £3k per annum. Maturity date 1 September 2020.

(3) CIF Loan of £38k provided at 1.65% interest over 4 years has £20k remaining and is repayable at £10k per annum. Maturity date 1 August 2021.

(4) Loan of £22k from SALIX provided at 0% over 5 years has £14k remaining and is repayable at £4k per annum. Maturity date 1 September 2022.

(5) Loan of £55k from SALIX provided at 1.25% over 8 years has £55k remaining and is repayable at £7k per annum. Maturity date 1 September 2028.

Notes to the financial statements Year to 31 August 2019

17 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	(113)	15,894	(16,067)	286	—
Start up grant	—	27	(27)	—	—
Pupil premium	18	674	(517)	—	175
Other grants	708	1,772	(1,962)	—	518
Pension reserve	(5,150)	—	(1,661)	(459)	(7,270)
	<u>(4,537)</u>	<u>18,367</u>	<u>(20,234)</u>	<u>(173)</u>	<u>(6,577)</u>
Restricted fixed assets fund					
Transfer on conversion	39,439	—	—	—	39,439
DfE/EFA capital grants	16,096	1,614	(1,409)	—	16,301
Capital expenditure from GAG	1,340	—	—	—	1,340
	<u>56,875</u>	<u>1,614</u>	<u>(1,409)</u>	<u>—</u>	<u>57,080</u>
Total restricted funds	<u>52,338</u>	<u>19,981</u>	<u>(21,643)</u>	<u>(173)</u>	<u>50,503</u>
Total unrestricted funds	<u>1,440</u>	<u>896</u>	<u>(656)</u>	<u>(286)</u>	<u>1,394</u>
Total funds	<u>53,778</u>	<u>20,877</u>	<u>(22,299)</u>	<u>(459)</u>	<u>51,897</u>

Analysis of academies by fund balance

Fund balances at 31 August were allocated as follows:

	2019 £'000	2018 £'000
Maiden Erlegh School	1,038	1,203
Maiden Erlegh School in Reading	848	700
Great Hollands Primary School	147	82
Maiden Erlegh Chiltern Edge	204	42
Central services	(150)	26
Total before fixed assets and pension reserve	<u>2,087</u>	<u>2,053</u>
Restricted fixed asset fund	57,080	56,875
Pension reserve	(7,270)	(5,150)
	<u>51,897</u>	<u>53,778</u>

17 Funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2019 £'000
Maiden Erlegh School	6,136	1,488	389	1,792	9,805
Maiden Erlegh School in Reading	2,478	746	172	813	4,209
Great Hollands Primary School	1,311	298	99	465	2,173
Maiden Erlegh Chiltern Edge	1,211	540	139	496	2,386
Central services	317	642	55	(358)	656
Maiden Erlegh Trust	11,453	3,714	854	3,208	19,229

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2018 £'000
Maiden Erlegh School	6,186	1,687	602	1,453	9,928
Maiden Erlegh School in Reading	1,758	593	124	521	2,996
Great Hollands Primary School	1,293	264	112	417	2,086
Maiden Erlegh Chiltern Edge	74	29	9	53	165
Central services	226	283	—	(170)	339
Maiden Erlegh Trust	9,537	2,856	847	2,274	15,514

Notes:

- ◆ Maiden Erlegh School in Reading has taken in another year group of 180 students.
- ◆ Maiden Erlegh Chiltern Edge prior year costs relate to August 2018 only.

Notes to the financial statements Year to 31 August 2019

17 Funds (continued)

Comparative information

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

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	383	12,918	(13,414)	—	(113)
Pupil premium	53	410	(445)	—	18
Other grants	568	1,078	(938)	—	708
Pension reserve	(5,431)	—	(1,270)	1,551	(5,150)
	(4,427)	14,406	(16,067)	1,551	(4,537)
Restricted fixed assets fund					
Transfer on conversion	24,411	15,028	—	—	39,439
DfE/EFA capital grants	17,147	239	(1,290)	—	16,096
Capital expenditure from GAG	1,340	—	—	—	1,340
	42,898	15,267	(1,290)	—	56,875
Total restricted funds	38,471	29,673	(17,357)	1,551	52,338
Total unrestricted funds	1,502	655	(717)	—	1,440
Total funds	39,973	30,328	(18,074)	1,551	53,778

18 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Assets Fund £'000	Total 2019 £'000
Intangible fixed assets	—	—	30	30
Tangible fixed assets	—	—	56,976	56,976
Current assets	1,394	2,265	74	3,733
Current liabilities	—	(1,450)	—	(1,450)
Non-current liabilities	—	(122)	—	(122)
Pension scheme liability	—	(7,270)	—	(7,270)
Total net assets	1,394	(6,577)	57,080	51,897

18 Analysis of net assets between funds (continued)

	<i>Unrestricted funds £'000</i>	<i>Restricted General Funds £'000</i>	<i>Restricted Fixed Assets Fund £'000</i>	<i>Total 2018 £'000</i>
<i>Tangible fixed assets</i>	—	—	56,965	56,965
<i>Current assets</i>	1,440	2,053	(90)	3,403
<i>Current liabilities</i>	—	(1,341)	—	(1,341)
<i>Non-current liabilities</i>	—	(99)	—	(99)
<i>Pension scheme liability</i>	—	(5,150)	—	(5,150)
Total net assets	1,440	(4,537)	56,875	53,778

19 Commitments under operating leases

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

	2019 £'000	2018 £'000
Amounts due within one year	84	84
Amounts due between one and five years	149	149
Amounts due after five years	55	55
	288	288

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

	2019 £'000	2018 £'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,422)	12,254
Adjusted for		
Depreciation charge (note 12)	1,409	1,290
Capital grants from DfE and other capital income	(1,615)	(15,267)
Interest receivable (note 5)	(11)	(4)
Defined benefit pension scheme finance cost (note 25)	1,661	1,270
Decrease/(increase) in debtors	354	(589)
Increase in creditors	110	388
Net cash provided by/(used in) operating activities	486	(658)

21 Cash flows from financing activities

	2019 £'000	2018 £'000
Repayments of borrowing	(32)	(30)
Cash inflows from new borrowing	55	—
Net cash provided by/(used in) financing activities	23	(30)

22 Cash flows from investing activities

	2019 £'000	2018 £'000
Dividends, interest and rents from investments	11	4
Purchase of intangible fixed assets	(30)	—
Purchase of tangible fixed assets	(1,420)	(595)
Capital grants from DfE/ESFA	1,615	239
Net cash provided by/(used in) investing activities	176	(352)

23 Analysis cash and cash equivalents

	2019 £'000	2018 £'000
Cash in hand and at bank	3,203	2,519
Total cash and cash equivalents	3,203	2,519

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.

25 Pension and similar obligations

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

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

Contributions amounting to £nil were payable to the schemes at 31 August 2019 (2018: £142,452) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme ('TPS') is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

25 Pension and similar obligations (continued)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Academy Trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Academy Trust has set out above the information available on the plan and the implications for the Academy Trust in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

Local Government Pension Scheme (LGPS)

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 £745,000 (2018: £625,000), of which employer's contributions totalled £562,000 (2018: £464,000) and employees' contributions totalled £183,000 (2018: £161,000). The agreed contribution rates for future years are 19.4% per cent for employers and between 5.5% and 12.5% for employees, or a 50:50 option of between 2.5% and 6.35%, both banded according to salary.

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

25 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Principal Actuarial Assumptions	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.80%	3.80%
Rate of increase for pensions in payment / inflation	2.30%	2.30%
Discount rate for scheme liabilities	2.65%	2.65%
Inflation assumption (CPI)	2.30%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	22.1	23.1
Females	24.0	25.2
<i>Retiring in 20 years</i>		
Males	23.7	25.3
Females	25.8	27.5

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

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equity instruments	2,897	2,055
Bonds	755	658
Cash	408	649
Other	487	421
Property	657	601
Total market value of assets	5,204	4,384

The actual return on scheme assets was £293,000 (2018: £167,000).

Amounts recognised in statement of financial activities	2019 £'000	2018 £'000
Current service cost (net of employer contribution)	1,151	1,132
Past service cost	131	—
Net interest cost	129	135
Benefit changes	5	3
Total operating charge	1,416	1,270

25 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the present value of defined benefit obligations were as follows:	2019 £'000	2018 £'000
At 1 September	9,534	8,954
Current service cost	1,278	1,132
Interest cost	267	236
Employee contributions	203	161
Actuarial loss/(gain)	1,201	(1,021)
Benefits paid	(213)	72
Past service cost	582	—
At 31 August	12,852	9,534

Changes in the fair value of the Academy's share of scheme assets:	2019 £'000	2018 £'000
At 1 September	4,384	3,523
Interest income	396	101
Return on plan assets	190	66
Administrative expenses	(5)	(3)
Employer contributions	627	464
Employee contributions	203	161
Benefits paid	(213)	72
At 31 August	5,582	4,384

26 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Mrs Helen May (spouse of Ian May BEM, Trustee) is employed by the Trust as an Exam Invigilator at Maiden Erlegh School. Mrs May's remuneration during the period amounted to between £0 and £2,000 (2018 – between £0 and £2,000).

No other related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.

The academy trust conducted the above related party transactions in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with their financial regulations and procurement procedures.

27 Events after the end of the reporting period

There have been no events after the end of the reporting period relevant to the financial statements.

28 Agency arrangements

The Academy Trust distributes 16-19 Bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2019 the Trust received £21,000 and disbursed £15,000 from the fund to students. Institutions are permitted to use up to 5% of the single allocation for administrative costs, however the Academy Trust did not retain an amount in this financial year.

29 Central services

The Academy Trust has provided the following central services to its academies during the year:

- ♦ Executive leadership
- ♦ School improvement
- ♦ Human resources and payroll services
- ♦ Financial and accounting services, including financial governance services
- ♦ Governance and legal services
- ♦ Estates management and health and safety services

In the year ended 31 August 2019, the Trustees agreed to apply a percentage charge of 5% of each school's GAG income to fund Central Services as follows:

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Maiden Erlegh School	419	333
Maiden Erlegh School in Reading	186	109
Great Hollands Primary School	81	64
Maiden Erlegh Chiltern Edge	103	14
	789	520

Notes to the financial statements Year to 31 August 2019

30 Teaching school trading account

	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Income						
Direct income						
Teaching School grants		91			94	
Other income						
Fundraising and other trading activities		59			—	
			150			94
Expenditure						
Direct costs						
Direct staff costs	75			75		
Staff development	8			2		
Other direct costs	10			—		
Total direct costs		93			77	
Indirect costs						
Support staff costs	9			15		
Other support costs	21			10		
Share of governance costs	4			—		
Total indirect costs		34			25	
Total operating costs			(127)			(102)
Surplus/(deficit) from all sources			23			(8)
Teaching school balances at 1 September			41			49
Teaching school balances at 31 August			64			41