



# MAIDEN ERLEGH TRUST

## **Annual Report and Financial Statements**

31 August 2020

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

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## Reference and administrative information

<b>Members</b>	N Jones R Nicholson J Dennis A Tarar
<b>Trustees</b>	N Jones (Chair) I May (Vice Chair) R Kenwick J Rothwell A Starnes J Hobson M Bellamy C Ainslie (from 7 July 2020) T Hanley N Pouney (from 1 November 2020) L Batalla-Duran (from 1 November 2020)
<b>Company Secretary</b>	J Peck
<b>Senior Management Team</b>	
Chief Executive Officer	M Davies
Chief Financial and Operations Officer	J Peck
Director of Inclusion and Safeguarding	A Walker
Director of Standards and Continuous Improvement	S Elliss
Executive Headteacher – Primary	F Walker
Executive Headteacher – Secondary	A Johnson
Executive Headteacher – Special/AP	M Wilton
<b>Company registration number</b>	07548754 (England and Wales)
<b>Registered office</b>	Maiden Erlegh School Silverdale Road Earley Reading RG6 7HS
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

## Reference and administrative information

<b>Bankers</b>	NatWest 131 Crockamwell Road Woodley Reading RG5 3XZ
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<b>Solicitors</b>	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB
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## **Trustees' report Year to 31 August 2020**

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 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates six academies for pupils aged 3 to 18 across Berkshire and Oxfordshire. Our schools have a combined pupil capacity of 4,340 and had a roll of 3,550 in the school census on October 2020.

### **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 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 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 Trustees may co-opt additional Trustees 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.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Policies and procedures adopted for the induction and training of Trustees

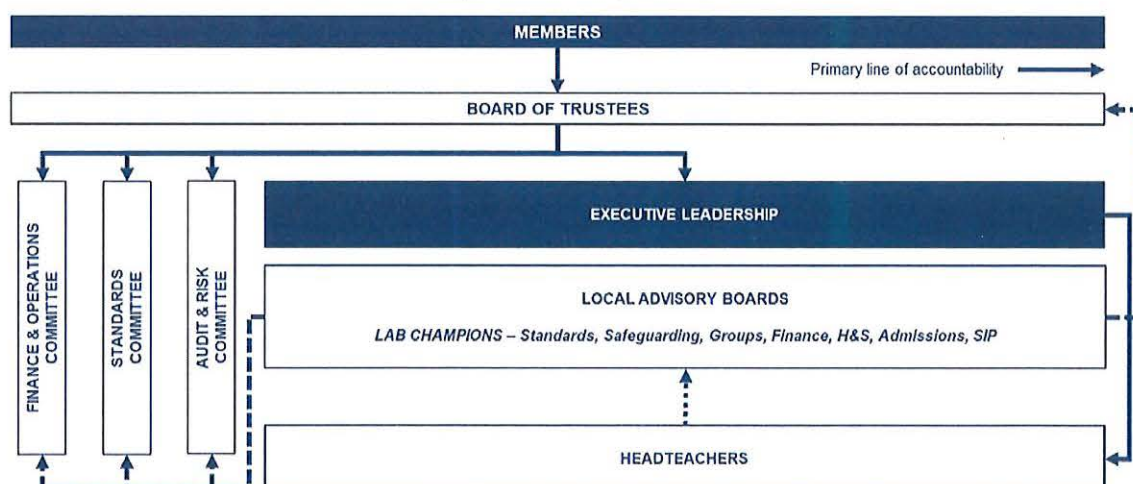
The Trust has adopted a common protocol for the induction for new Trustees and LAB members to provide training on charity, educational, legal and financial matters. All Members, Trustees and LAB members are required to complete online statutory training annually. All new LAB members meet with the Headteacher 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. Additionally, all Trustees and LAB members have access to the National Governors Association training, resources, e-learning modules, helpline and e-bulletins plus bi-annual in-house training provided by the Chief Executive Officer and Chief Financial and Operations Officer.

### Organisational Structure

The 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 Trust board.

The Chief Executive Officer and School Improvement Team 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 structure, in effect since 1 September 2019, is shown below:



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



## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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

Arrangements for setting the pay and remuneration of the Trust's key management personnel are approved by the Trust Board in line with the Pay Policy. The Pay Policy is based on the nationally agreed pay scales as set out in the School Teachers Pay and Conditions Document for teaching staff and the Local Government pay scales for support staff. The CEO and CFOO are on salary ranges approved by the Trust Board following a benchmarking exercise. Pay progression within the ranges is linked to performance and approved by the Trust Board.

### **Trade union facility time**

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Trust to publish information on facility time arrangements for trade union officials at the Trust. The Trust confirms that there were no employees acting as trade union officials within the meaning of these regulations during the year ended 31 August 2020. Facility time is not provided by the Trust and therefore no employee spent time on facility time and no percentage of the pay bill was spent on facility time.

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

The Trust has a long-standing association with Tyr Abad Residential Education Centre, a charitable incorporated organisation. Maiden Erlegh School was a founding member of the Centre, alongside Emmbrook School in Wokingham, and Charters School in Ascot. The Headteacher of Maiden Erlegh School is currently the Chair of Trustees of Tyr Abad Residential Education Centre. The Trust acts as an agent to facilitate payment of fees from parents to the Tyr Abad Residential Education Centre and these funds are held separately from the main Trust funds.

### **Engagement with employees (including 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 Trust's Equality Policy, Recruitment and Selection Policy and the Accessibility Plans in place at each of our schools, alongside our comprehensive annual staff survey.

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

### **Engagement with suppliers, customers and others in a business relationship with the Trust**

Maiden Erlegh Trust seeks to maintain positive and collaborative relationships with all stakeholders including our pupils, students, families and the wider communities in which we are present. As a community-based Trust it is imperative that we engage with our stakeholders and we do this regularly through newsletters, open events and social media.

## OBJECTIVES AND ACTIVITIES

### Objects and Aims

The 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 Trust in relation to its schools for the year ended August 2020 are summarised below:

The schools in our 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 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 Trust and each of its schools sets clear expectations of high standards of behaviour and promotes traditional values which underpin life-long learning and achievement.

### Public Benefit

The Trustees of Maiden Erlegh Trust confirm that they have complied with their duty under Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The Trust aims to advance for the public benefit education across the communities in which our schools are located, by offering a broad and balanced curriculum.

## STRATEGIC REPORT

### Achievements and Performance

2019-20 has been a successful year for the Trust in a number of aspects. In line with our strategic plan, two schools were welcomed into the Trust during the year. Hamilton School (previously Phoenix College), an SEMH special school joined the Trust on 1 January 2020, followed by Cranbury College, an Alternative Provision College, on 1 August 2020. Both Hamilton School and Cranbury College are exciting additions to the Trust and further demonstrate our commitment to ‘opportunity, diversity and success for all’.

Additionally, the Trust has been approved to open a new 150-place all-through special free school under Wave 2 of the Special/AP Free Schools Programme. Oak Tree School will open in September 2022 and serve the communities of both Reading and Wokingham, providing much needed high-needs capacity to both local authorities. This is addition to the 1,500-place 11-18 school currently under development in Reading, River Academy which is due to open in September 2023.



## STRATEGIC REPORT (continued)

### Achievements and Performance (continued)

A significant achievement throughout the financial year was the Trusts response to the COVID-19 pandemic. Strong and decisive leadership ensured effective delivery of education throughout the lockdown period across all our settings.

In addition to this:

- ◆ Recognition of the impact of Maiden Erlegh Trust systems in terms of raising standards and quality of leadership:

#### ***Maiden Erlegh School (Ofsted 2020)***

*"Trustees maintain a very secure overview of how well the school provides for every pupil. They know the school's strengths incredibly well, yet they strive for even further improvement. Alongside the very effective executive leadership of the trust, leaders are collectively well placed to ensure the school goes from strength to strength."*

- ◆ Strong community involvement evidenced through Parent Empowerment Workshops with three other schools, peer-to-peer reviews, networking and providing CPD. During lockdown, our staff were involved in community initiatives through making of masks and visors and sharing best practice.
- ◆ Strong and decisive leadership during COVID lockdown resulting in positive stakeholder views and a smooth return to full opening.
- ◆ Strengthened School Improvement Team: inclusion, standards, assessment and specialists in primary, secondary and special/AP. Similarly, the Trust Board has been strengthened by the appointment of specialists in secondary and special/AP, with primary recruitment pending.
- ◆ The Trust held its inaugural CPD Conference in January 2020 which received highly positive feedback with very many staff contributing through lectures and workshops.

#### ***Maiden Erlegh School (11-18)***

The school was inspected by Ofsted in February 2020 on the new framework and secured **Outstanding in all areas**. The report states that "Pupils receive an excellent education at this school. They excel in the subjects they study and grow into confident, articulate individuals.

School achievements and highlights:

- ◆ Ambitious and inclusive curriculum which supports very strong outcomes for all students in KS4 results and KS5 outcomes, including for most disadvantaged.
- ◆ Quality First Teaching has further strengthened the inclusive character of the school.
- ◆ Very positive conduct and behaviours for learning which stem from positive relationships and personalised approaches. This contribute to the strong outcomes and results in consistently extremely low rates of exclusion and bullying.

## STRATEGIC REPORT (continued)

### Achievements and Performance (continued)

#### *Maiden Erlegh School (11-18) (continued)*

- ◆ Consistently positive attendance with below national persistent absence.
- ◆ Exceptional careers education (all Gatsby Benchmarks achieved) and all Year 11 and Year 13 students have appropriate destinations in place before leaving the school.
- ◆ The school successfully runs the Teaching School and Careers Hub (application pending for Behaviour Hub).
- ◆ Numerous local and national awards: Berkshire award for innovation in promotion of apprenticeships (2019, National Equalities Award re-accreditation (2019), Young Carers Silver (2019) and Stonewall Bronze (2020).
- ◆ Commitment to workload reduction and staff wellbeing (e.g.: reduced data collections and meetings).
- ◆ Oversubscribed with students and fully staffed for 2020/21.
- ◆ Significant reduction of structural deficit.

#### *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. The school's first set of results was in 2020. Notwithstanding the anomalous nature of outcomes this year, due to COVID, all the indicators are that both attainment and progress would have compared very favourably with national comparators.

#### 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 and a new Deputy Headteacher coming over from Maiden Erlegh School.
- ◆ There is a strong evidence-based approach to the design and delivery of the curriculum (and close collaboration with other Trust schools). This means that ambition for all and standards of teaching, learning and assessment are significantly more consistent.
- ◆ Behaviour is good and leaders have acted proactively and effectively to respond to contextual issues where necessary. The result is very low rates of exclusion and bullying.

## STRATEGIC REPORT (continued)

### Achievements and Performance (continued)

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

- ◆ Attendance is positive and this also contributes to positive behaviour and relationships, and good progress.
- ◆ Oversubscribed with students and fully staffed for 2020/21.

#### *Maiden Erlegh Chiltern Edge (11-16)*

The school joined the Trust on 1 August 2018 as a sponsored academy. The Trust has invested significantly to support the school, and the impact is evident in many areas of the school's work (verified by external reviewers) not least the 2020 results. Current leaders are working with the Trust to ensure a financially sustainable curriculum model going forwards.

School achievements and highlights:

- ◆ Significant investment in the fabric and infrastructure of the school.
- ◆ Leadership and staffing have been strengthened and stabilised to ensure continuity and restore community faith. Three new senior leaders, including the Headteacher, and experienced new Heads of English and Maths have added strength and capacity to the team.
- ◆ The school remains significantly undersubscribed due to the extended period of instability. That said, feedback from stakeholders is increasingly very positive and we anticipate numbers to increase from September 2021.
- ◆ Improvements in behaviour through implementation of Trust structures have resulted in a significant reduction in exclusions and improvements in quality of education.
- ◆ Safeguarding is a strength and the new Assistant Headteacher DSL/SENCO has come from Maiden Erlegh Reading and is embedding further Trust systems and approaches.
- ◆ The same Assistant Headteacher and new Headteacher are also having an impact on inclusion so that the most disadvantaged can access far more timetabled lessons.
- ◆ 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.
- ◆ Seven of the Gatsby Benchmarks met and Trust Careers Programme in place.
- ◆ All Y11 students had a meaningful destination to go to in September.



## STRATEGIC REPORT (continued)

### Achievements and Performance (continued)

#### ***Great Hollands Primary School (3-11)***

The school joined the Trust in 1 July 2017 as a sponsored academy. Since joining the Trust, the school has made significant and sustained improvements.

School achievements and highlights:

- ♦ 2019 outcomes were extremely positive, overall and for key groups. 2020 indicators suggested similar or further improved results but unfortunately there were not SATs in 2020 due to COVID.
- ♦ Leadership has been strengthened through on-going executive support and 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 2019/20.
- ♦ External reviews noted strong progress in terms of curriculum development, quality of teaching and establishing highly positive behaviour (from June 2019 review by Wokingham Borough Council):

*"The school is an ordered and orderly learning community where pupils are ready to learn because there are clear expectations set on behaviour and behaviours for learning. Staff have worked hard to achieve this; staff make it their purpose to know the pupils and their wider families well, and the headteacher and relevant staff have a sound understanding of the community the school serves. The Inclusion Manager knows the needs of her pupils well, and engages with feeder providers, external agencies and families whenever possible or relevant."*

- ♦ Curriculum developments in English and Maths are now embedded from EYFS to Y6, and the school is now reviewing the foundation curriculum in the light of new research and expectations.
- ♦ Stakeholder voice is positive about the developments at the school.
- ♦ Unfortunately, the PAN is in decline, due to falling birth-rate locally. The school is consulted to reduce its PAN to 1 form entry.

#### ***Hamilton School (11-16 special)***

The school joined the Trust in 1 January 2020 after an inadequate Ofsted inspection in 2018. The school is a special school for 64 children with SEMH needs. It is currently under-PAN due to its poor reputation and unstable staffing.

## STRATEGIC REPORT (continued)

### Achievements and Performance (continued)

#### *Hamilton School (11-16 special) (continued)*

Currently housed in a Victorian residential building, the school is set to move to more appropriate accommodation from September 2022. This will have a significantly positive impact on the students and staff, and allow for the recruitment of the full complement of students, including girls.

The priority in the first instance, has been to stabilise behaviour, culture and safeguarding which were of significant concern.

School achievements and highlights:

- ♦ Leadership has been strengthened through the recruitment of an experienced Headteacher (from end January 2020) and the support of an Executive Headteacher (as well as other Trust colleagues).
- ♦ School numbers are starting to improve (from 36 boys last year to 42 boys this year).
- ♦ New Interim Transition Board in place with experienced Trust governors and staff.
- ♦ Outcomes 2020 are improved on 2019 and the work currently being undertaken on the curriculum and its delivery and assessment will strengthen that further.
- ♦ The culture of the school is improving due to extensive CPD and modelling from external staff. Before lockdown started, there was a marked difference even after only a short time.
- ♦ Stakeholder voice and general reputation are starting to improve.

#### *Cranbury College (5-18 AP)*

The school joined the Trust in 1 August 2020. It was judged good in its last inspection (2018).

The school comprises, primary, secondary (with some post-16) and hospital school at the Royal Berkshire Hospital. The current Head of the College also has the role of Executive Headteacher Special/AP for the Trust.

College achievements and highlights:

- ♦ Very experienced and stable staff – highly respected in the local community.
- ♦ High quality outreach and professional development offer.
- ♦ Strong partnership links – curricular and pastoral/therapeutic.
- ♦ Outcomes and destinations are positive.

## STRATEGIC REPORT (continued)

### Achievements and Performance (continued)

#### *Berkshire Teaching School Alliance*

Some highlights of the work of the Teaching School:

- ♦ 16 alliance schools and partnerships with Reading University, Whiteknights English Hub and the Wokingham Federation
- ♦ 32 Specialist Leaders Education (primary and secondary) and 2 National Leaders of Education.
- ♦ Regularly support 10-15 Newly Qualified Teachers and a similar number of trainees (typically graded 1 or 2 at their end of their course).
- ♦ Run an internship programme for people interested in teaching.
- ♦ Run a number of courses including our own aspiring middle and senior leaders' course.
- ♦ Eleven Trust staff have lead support or spoken at conferences and the CEO/NLE has supported five schools in the region.

#### Key Performance Indicators

In 2020, due to COVID lockdown, KS4 and KS5 examination results were based on the best outcome from Centre Assessment Grades or Centrally Calculated Grades. It is not therefore possible to compare reliably with previous years' data, particularly in respect of relative national progress.

Over the course of the year the Trust delivered strong outcomes across both mainstream and special/AP settings. Our mainstream secondary schools were largely in line with, or above, national benchmarks and special/AP outcomes and destinations showed signs of improvement. As primary SATs were not taken, there is no data, however internal data indicated a trajectory which matched or improved on 2019 outcomes in all areas.

#### Secondary Mainstream Aggregated Data 2020:

2020	A8	%5+ Eng	%5+ Ma	%5+ inc E&M	%5+ 2 Sci	%5+ Ebacc	Progress Ind
All	57.37	70%	73%	63%	68%	38%	0.87
DA	47.70	52%	56%	48%	50%	25%	0.46
SEND E	37.55	30%	50%	30%	50%	20%	0.49
SEND K	39.79	36%	36%	27%	36%	3%	-0.31

## STRATEGIC REPORT (continued)

### Key Performance Indicators (continued)

#### Key Stage Five:

	2019				2020			
	Academic		Tech Level		Academic		Tech Level	
	Av Grade	Value Added	Av Grade	Value Added	Av Grade	Value Added	Av Grade	Value Added
Maiden Erlegh School	C+	0.02	D-	-1.15	B-	+0.16	M+	-0.14

#### Key Stage Four – Mainstream:

	2019				2020			
	Overall		English & Maths		Overall		English & Maths	
	P8	Attain 8	Gr 4+	Gr 5+	P8 Indicator	Av Grade	Gr 4+	Gr 5+
Maiden Erlegh School	+0.73	57.6	86%	65%	Int +0.89 FFT+0.6	60.5	90%	69%
Maiden Erlegh Chiltern Edge	-0.17	40.3	49%	27%	Int: +0.44 FFT0.0	45.8	74%	43%
Maiden Erlegh School in Reading					Int +0.95 FFT +0.4	55.5	80%	59%

#### Key Stage Four – Special:

	Av Quals	% 1+ En	%4+ En	% 1+ Ma	% 4+ Ma	%4+ EnMa	Dest
Hamilton School – 2019	3	0%	0%	40%	0%	0%	57%
Hamilton School – 2020	4	63%	13%	50%	13%	13%	88%

#### Primary Data (2018 and 2019 only):

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%		



## **STRATEGIC REPORT (continued)**

### **Going Concern**

The Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. In coming to this assessment, the Board has considered extensively a wide range of financial data and taken proactive measures to ensure the Trust operates with financial efficiency. These measures include, but are not limited to, the implementation of GAG and reserve pooling to ensure the Trust has the flexibility to meet headwinds from within existing resources; the establishment of a recruitment freeze incorporating a role-by-role assessment of backfill replacements; and review of curriculum delivery models using integrated curriculum financial planning modelling to support these discussions.

The Board has also considered the range of risks that exist alongside the detrimental impact that the COVID-19 pandemic has had on trading income, including lettings, catering and consultancy income. The Board is satisfied that robust plans are in place to weather these headwinds and it is 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.

### **Promoting the success of the Trust**

The Board of Trustees has given due regard to Section 172(1)(a) to (f) of the Companies Act 2006. The Board of Trustees take their responsibilities to our staff, students and the wider community very seriously and this can be demonstrated by our consultative approach to such matters as reducing staff workload and implementation of policies.

## **FINANCIAL REVIEW**

### **Financial report for the year**

The 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 ('SOFAs'), set out on page 34.

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 2020, total income (excluding fixed asset fund income) was £19,877k (2019: £19,263k) and total expenditure (excluding depreciation and impairment charges) was £22,554k (2019: £20,890k). The operational deficit for the year, excluding movements on the pension reserve and restricted fixed assets, was £819k (2019: surplus of £34k). This included purchase of fixed assets from unrestricted funds of £529k.

As at 31 August 2020 the net book value of fixed assets was £50,222k (2019: £56,976k). These assets were used exclusively for providing education to the Trust's pupils and students, and related support services.

### **Financial effect of significant events**

During the course of the year the Trust has been adversely affected by the COVID-19 pandemic. The total net income impact in the financial year ended 31 August 2020 was £87k consisting of £29k directly related to COVID-19 and a further £58k in lost lettings income.

### **Reserves policy**

The Trustees have determined that the appropriate level of reserves should be the equivalent of £100k for each school within the Trust, amounting to £600k. The Trust's current level of free reserves at 31 August 2020 amounted to £1,036k (2019: £1,394k), being the unrestricted funds balance. The reserves policy is reviewed annually.

As at 31 August 2020 the Trust held fund balances of £40,174k (2019: £51,897k) comprising £39,138k (2019: £50,503k) restricted funds including a pension reserve deficit of £11,137k (2019: deficit of £7,270k) and £232k (2019: £693k) of restricted general funds.

The current level of reserves will be used by the Trust to support strategic investments, in-year deficits arising, and to create capacity for the expansion of the 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 2019.

### **Investment policy**

The Trust have considered the use of deposit accounts in which to hold excess funds and are undergoing a change of banking partners in order to facilitate this. During the financial year 2019/20 however, all funds of the Trust were held as cash with our primary bankers.



## 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 Trust. The Trustees review a detailed risk register with control measures and action plans in place in order to mitigate identified risks. The 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 Trust's Risk Register and classified as Strategic, Operational, Compliance and Financial.

The Trust has identified the principal risks and uncertainties:

- ◆ Impact of COVID-19 on both academic and financial performance. The impact of the pandemic has required investment in technology alongside preventive measures being taken across all our sites. The Trust had a healthy lettings income which has been effectively eliminated as a result of the pandemic. It has implemented robust and effective remote learning strategies to ensure that all students are able to access their learning in the event of further disruption, and continually reviews opportunities to hire out external facilities to the wider community.
- ◆ Financial impact of low numbers on roll at Maiden Erlegh Chiltern Edge and Great Hollands Primary School. The Trust has implemented GAG pooling, from 1 September 2020, in an effort to ensure the allocation of funds to its schools meets with need, and this allows optimal allocations to be made to all schools. The Trust will continue to positively market the strength and character of both of these schools to ensure that numbers on roll increase whilst closely monitoring the cost base and taking such actions as necessary to ensure efficiency.
- ◆ Increasing staff costs, including national insurance and pension contributions 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 Trust schools, and developing further our strategies for recruitment and retention. We are also developing our in-house CPD offer and expanding our work on diversity, inclusion and wellbeing.
- ◆ 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 central funds for specific capital projects.

## FUNDRAISING

Each school within the 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 Trust has not received any complaints regarding its fundraising activity in the year.

## STREAMLINED ENERGY AND CARBON REPORTING

Maiden Erlegh Trust			
NOR			3550
UK Greenhouse gas emission and energy use data for period 1 September 2019 to 31 August 2020			
<b>Energy consumption break down</b>			<b>kWh</b>
Gas			2,682,852
Owned transport	8240	miles	9,844
Electricity			1,041,434
Business travel in employee owned vehicles	7538	miles	8,768
<b>Scope 1 emissions in metric tonnes CO2e</b>			
Gas consumption			493.30
Owned transport			2.51
<b>Scope 2 emissions in metric tonnes CO2e</b>			
Purchased electricity			242.80
<b>Scope 3 emissions in metric tonnes CO2e</b>			
Business travel in employee owned vehicles			2.11
<b>Total gross emissions in metric tonnes CO2e</b>			<b>740.72</b>
<b>Intensity ratio - Tonnes CO2e per pupil</b>			<b>0.21</b>

## Quantification and Reporting Methodology: -

Maiden Erlegh Trust schools:

MES	Maiden Erlegh School	Silverdale Road, Reading, RG6 7HS
MER	Maiden Erlegh School in Reading	81 Crescent Road, Reading, RG1 5SL
GHP	Great Hollands Primary School	Wordsworth, Bracknell, RG12 8YR
MEC	Maiden Erlegh Chiltern Edge	Reades Lane, Reading, RG4 9LN
HAM	Hamilton School	40 Christchurch Road, Reading, RG2 7AY
CBC-S	Cranbury College (Secondary)	Cranbury Road, Reading. RG30 2TS
CBC-P	Cranbury College (Primary)	28 College Road, Reading. RG6 1QB



### **STREAMLINED ENERGY AND CARBON REPORTING (continued)**

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. Due to the lack of access to accurate meter readings or invoices for some of our sites, the energy consumption values used have been calculated using the information available for each site, detailed below.

- ♦ MES energy consumption calculated using meter readings from October 2019 to September 2020.
- ♦ MER energy consumption calculated using meter readings from September 2019 to August 2020.
- ♦ GHP energy consumption calculated using meter readings from November 2019 to September 2020. An average for these 11 months was calculated and then multiplied by 12.
- ♦ MEC energy consumption calculated using meter readings from October 2019 to September 2020.
- ♦ HAM energy consumption was calculated from the annual usage obtained from the national database. This was then calculated pro-rata for the 8 months that the school has been part of the Trust. 1 January 2020 to 31 August 2020.
- ♦ CBC energy consumption was calculated from the annual usage obtained from the national database. This was then calculated pro-rata for 1 month that the school has been part of the Trust. 1 August 2020 to 31 August 2020.

### **Intensity measurement**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

### **Measures taken to improve energy efficiency**

We have had LED lighting installed throughout MEC. We have increased video conferencing technology for staff meetings, to reduce the need for travel between sites and have introduced working from home where possible.

### **PLANS FOR FUTURE PERIODS**

The Trust will continue to develop in line with its strategic plan. Having recently expanded by adding Hamilton School and Cranbury College, our strategic focus will be on embedding these schools into the organisation.

#### **PLANS FOR FUTURE PERIODS (continued)**

The Trust is currently engaged with Reading Borough Council to secure new premises for Hamilton School. Funding has been secured by both the DfE and Reading Borough Council to repurpose the Hamilton Centre and redevelop this site for Hamilton School. At this stage planned works are scheduled to complete early 2022 with the school relocating from September 2022.

The Trust is currently engaged on the development of two new free schools. Oak Tree School, a 150-place special free school is due to open in September 2022, and River Academy, a 1,500-place 11-18 secondary free school is due to open in 2023. Both projects are in the pre-opening stage and approaching the end of feasibility.

The Trust is currently undergoing an exercise to dispose of 2.2 hectares of redundant playing field, subject to Secretary of State approval. This will yield a significant capital receipt which will be used to redevelop the Maiden Erlegh Chiltern Edge site, refurbishing teaching and learning facilities and redeveloping sports provision for the benefit of the school and the wider community.

#### **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

No funds are held as Custodian Trustee on behalf of others by the 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 re-appointed as auditor for the Trust during the year.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2020 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'N. Jones', is written over a horizontal line. The signature is stylized and somewhat cursive.

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 Board of Trustees reviews its structure of governance at least annually and when the composition of the Trust changes. The Board of Trustees have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance but following the significant changes made with effect from September 2019, no further changes have been made.

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 eight 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	8
Mr Ian May	6	8
Mr Robert Kenwick	6	8
Miss Lindsey Bowden	7	8
Mrs Jan Rothwell	7	8
Mr Alastair Starnes	8	8
Mr John Hobson	8	8
Ms Tara Hanley	8	8
Mr Michael Bellamy	8	8
Mr Christopher Toye	0	1
Mr Charles Ainslie (appointed 7 July 2020)	N/A	N/A
Mr Neil Poutney (appointed 1 November 2020)	N/A	N/A
Mrs Louise Batalla-Duran (appointed 1 November 2020)	N/A	N/A

The composition of the Board of Trustees has changed in the year to 31 August 2020.

Charles Ainslie was appointed as a Trustee in July 2020, and both Neil Poutney and Louise Batalla-Duran were appointed with effect from 1 November 2020.

Christopher Toye resigned as a Trustee in December 2019 and Lindsey Bowden resigned as a Trustee in July 2020.



**Governance** (continued)

An Interim Transition Board continued to be in place for Maiden Erlegh Chiltern Edge up to 31 August 2020, which was Chaired by Nick Jones (Chair of the Trust), and its members included Mary Davies (Chief Executive Officer), Jonathon Peck (Chief Financial and Operations Officer), Jan Rothwell (Trustee), Alastair Starnes (Trustee) and the Headteacher in an ex-officio capacity. In addition, Emma Bliss (Staff) was co-opted to the ITB on 30 September 2019.

An Interim Transition Board was formed for Hamilton School when they joined the Trust on 1 January 2020. This is Chaired by Nick Jones (Chair of the Trust) and its members include Mary Davies (Chief Executive Officer), Ian May (Trustee), Jan Rothwell (Trustee), Michael Bellamy (Trustee), Phil Simmons (Chair of LAB Maiden Erlegh School in Reading), Jane Straw (Headteacher), Mrs Mandy Wilton (Executive Headteacher).

A Local Advisory Board was formed for Cranbury College on 1 August 2020 when they joined the Trust.

**Committees**

From 1 September 2019, there was a new committee structure in place with the Board supported by three subcommittees: Finance and Operations, Audit and Risk and Standards. Each committee is chaired by a Trustee, and the majority of committee members are Trustees. This ensures that devolved decision-making can take place, subject to adherence to the Scheme of Delegation.

**Finance and Operations Committee**

The Finance and Operations committee is a sub-committee of the main Board of Trustees which meets at least three times per year.

Its purpose is to:

- ◆ Recommend the annual and strategic budget to the Board of Trustees
- ◆ Budget monitoring through the review of the Monthly Performance Report
- ◆ Oversight and scrutiny of schools in deficit
- ◆ Monitor progress of major capital projects
- ◆ Monitor and review statutory Health and Safety compliance
- ◆ Review and approve all applicable policies and procedures
- ◆ Ensure asset management processes are in place
- ◆ Review and approve admission policies
- ◆ Review the HR strategy and review KPI information

**Finance and Operations Committee (continued)**

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Nick Jones (Chair)	3	3
Mike Bellamy	2	3
Alastair Starnes	3	3
Lindsey Bowden (LAB Chair representative)	0	3
John Hobson	3	3

**Audit and Risk Committee**

The Audit and Risk committee is a sub-committee of the main Board of Trustees which meets at least three times per year.

Its purpose is to:

- ◆ Receive and respond to the annual audit report
- ◆ Recommend to the Trust Board the appointment, reappointment or removal of the external auditor
- ◆ Agree annually the schedule and scope of the programme of internal assurance
- ◆ Review internal and external financial statements and reports to ensure best practice
- ◆ Receive and review the Trust Risk Register
- ◆ Ensure compliance with the Academies Financial Handbook and the '7 principles of public life'
- ◆ Act in the capacity of the Pay Committee and determine the outcome of the annual Teaching and Support Staff appraisal and pay recommendation process.
- ◆ Review and approve all applicable policies and procedures relevant to the committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ian May (Chair)	5	6
Nick Jones	6	6
Jan Rothwell	5	6
Lindsey Bowden	4	6
Phil Simmons (LAB Chair representative)	5	6
Charles Ainslie	1	1

**Standards Committee**

The Standards committee is a sub-committee of the main Board of Trustees which meets at least three times per year. It is chaired by a Trustee, and the majority of committee members are Trustees.

**Standards Committee** (continued)

Its purpose is to:

- ♦ Monitor and advise the Trust Board on:
  - Progress and Attainment data
  - School Improvement work and leadership
  - Overall educational performance of each school
  - Leadership standards
  - Special Education Needs and Inclusion
  - Safeguarding arrangements
- ♦ Monitor and review the School Improvement Plan and the achievement of strategic objectives
- ♦ To monitor effectiveness of schools graded 'Requires Improvement' and 'Inadequate'
- ♦ To review Trust procedures for safeguarding
- ♦ Review the strategies for expenditure of Pupil Premium, Sports Premium and Catch Up Premium grants

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Tara Hanley (Chair)	3	3
Chris Toye	1	1
Bob Kenwick	3	3
Mike Bellamy	3	3
Ish Nawaz-Chechi (LAB Chair representative)	1	3

**Review of Value for Money**

The Trust complied with PPN 02/20 and PPN 04/20 throughout the course of the financial year, demonstrated through the continuation of contracted payments to exam boards and cleaning contracts. The Trust did not make use of the Job Retention Scheme and continued to pay all staff members as per their contracts of employment during the national lockdown period.

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:



**Review of Value for Money (continued)**

- ◆ 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;
- ◆ 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**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 15/12/20 and signed on its behalf by:



(Chair of the Board of Trustees)

Nicholas Jones



(Accounting Officer)

Mary Davies



**Statement of regularity, propriety and compliance Year to 31 August 2020**

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 2019.

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 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



Accounting Officer Mary Davies

Date: 15/12/2020

## Statement of Trustees' responsibilities Year to 31 August 2020

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 2019 to 2020;
- ♦ 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      Nicholas Jones  
Approved on: 15/12/20.

**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 2020 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 2019 to 2020 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 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.



**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 2020

### 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.



Shachi Blakemore 17 December 2020  
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 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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



**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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



17 December 2020

Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

**Statement of financial activities (including income and expenditure account)**  
Year to 31 August 2020

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2020 Total funds £'000	2019 Total funds £'000
<b>Income and endowments from:</b>						
Donations and capital grants	2	89	11	1,004	1,104	1,694
. Transfer from local authority on conversion	30	—	(1,326)	1,925	599	—
Charitable activities:						
. Funding from the academy trust's educational operations	3	—	20,108	—	20,108	17,742
. Teaching school	3, 31	—	117	—	117	150
. Other trading activities	4	697	173	—	870	1,280
Investments	5	8	—	—	8	11
<b>Total income</b>		<b>794</b>	<b>19,083</b>	<b>2,929</b>	<b>22,806</b>	<b>20,877</b>
<b>Expenditure on:</b>						
Raising funds	6	623	—	—	623	656
Charitable activities:						
. Academy's Trust's educational operations	6, 7	—	21,838	10,495	32,333	21,516
. Teaching school	6, 31	—	93	—	93	127
<b>Total expenditure</b>	6	<b>623</b>	<b>21,931</b>	<b>10,495</b>	<b>33,049</b>	<b>22,299</b>
<b>Net income/(expenditure)</b>		<b>171</b>	<b>(2,848)</b>	<b>(7,566)</b>	<b>(10,243)</b>	<b>(1,422)</b>
<b>Transfers between funds</b>		<b>(529)</b>	<b>—</b>	<b>529</b>	<b>—</b>	<b>—</b>
<b>Other recognised (losses)</b>						
Actuarial (losses) on defined benefit pension scheme	17, 25	—	(1,480)	—	(1,480)	(459)
<b>Net movement in funds</b>		<b>(358)</b>	<b>(4,328)</b>	<b>(7,037)</b>	<b>(11,723)</b>	<b>(1,881)</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September		1,394	(6,577)	57,080	51,897	53,778
<b>Total fund balances carried forward at 31 August</b>		<b>1,036</b>	<b>(10,905)</b>	<b>50,043</b>	<b>40,174</b>	<b>51,897</b>

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

The Accounting Policies and Notes on pages 37 - 63 form part of these financial statements.



Balance sheet Year to 31 August 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
<b>Fixed assets</b>					
Intangible assets	12		33		30
Tangible assets	13		50,222		56,976
			50,255		57,006
<b>Current assets</b>					
Debtors	14	673		530	
Cash at bank and in hand		2,171		3,203	
		2,844		3,733	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15	(1,639)		(1,450)	
<b>Net current assets</b>			1,205		2,283
<b>Total assets less current liabilities</b>			51,460		59,289
Creditors: amounts falling due after more than one year	16		(149)		(122)
<b>Net assets excluding pension liability</b>			51,311		59,167
Defined benefit pension scheme liability	25		(11,137)		(7,270)
<b>Total net assets</b>			40,174		51,897
<b>Funds of the Academy Trust</b>					
Restricted funds					
. Fixed assets fund	17	50,043		57,080	
. Restricted income fund	17	232		693	
. Pension reserve	17	(11,137)		(7,270)	
<b>Total restricted funds</b>		39,138			50,503
.Unrestricted income funds	17		1,036		1,394
<b>Total funds</b>	18		40,174		51,897

The financial statements and the accounting policies and notes on pages 37 - 63 were approved by the Trustees and authorised for issue on 15/12/20 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 2020

	Notes	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>			
Net cash (used in) provided by operating activities	20	(243)	486
<b>Cash flows from investing activities</b>	22	(822)	176
<b>Cash flows from financing activities</b>	21	33	23
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(1,032)</b>	<b>685</b>
<b>Cash and cash equivalents at 1 September</b>		<b>3,203</b>	<b>2,518</b>
<b>Cash and cash equivalents at 1 September</b>	23	<b>2,171</b>	<b>3,203</b>

Notes to the statement of cash flows for the year to 31 March 2020.

**A Analysis of changes in net debt**

	At 1 September 2019 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 August 2020 £'000
Cash	3,203	(1,032)	—	2,171
	3,203	(1,032)	—	2,171
Loans falling due within one year	(32)	31	(37)	(38)
Loans falling due after more than one year	(122)	(64)	37	(149)
<b>Total</b>	<b>3,049</b>	<b>(1,065)</b>	<b>—</b>	<b>1,984</b>

## Principal accounting policies Year to 31 August 2020

### **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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

### **Going concern**

The Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. In coming to this assessment, the Board has considered extensively a wide range of financial data and taken proactive measures to ensure the Trust operates with financial efficiency. These measures include, but are not limited to, the implementation of GAG and reserve pooling to ensure the Trust has the flexibility to meet headwinds from within existing resources; the establishment of a recruitment freeze incorporating a role-by-role assessment of backfill replacements; and review of curriculum delivery models using integrated curriculum financial planning modelling to support these discussions.

The Board has also considered the range of risks that exist alongside the detrimental impact that the COVID-19 pandemic has had on trading income, including lettings, catering and consultancy income. The Board is satisfied that robust plans are in place to weather these headwinds and it is 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.

### **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.

**Income (continued)**

***Grants (continued)***

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.

***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.

### ***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%

#### **Tangible fixed assets (continued)**

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.

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.

### **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.



### **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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 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 had been specified for the years ended 31 August 2020 and 31 August 2019.

### 2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2020 Total £'000
Capital grants	—	—	1,004	1,004
Donations	89	11	—	100
	89	11	1,004	1,104

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

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000
<b>DfE/ESFA grants</b>			
. General annual grant (GAG)	—	17,119	17,119
. Start up grants	—	139	139
. Other DfE group grants	—	1,926	1,926
Teaching School grants	—	117	117
	—	19,301	19,301
<b>Other government grants</b>			
. Local authority grants	—	902	902
	—	902	902
<b>Exceptional government funding</b>			
Coronavirus exceptional support	—	22	22
	—	22	22
	—	20,225	20,225

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

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- ♦ The funding received for coronavirus exceptional support covers £22k of health and safety improvement cost, and the costs of providing free school meal vouchers during the national lockdown period. These costs are included in note 17 below as appropriate.

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000
<b>DfE/ESFA grants</b>			
. 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
<b>Other government grants</b>			
. Local authority grants	—	452	452
	—	452	452
	—	17,742	17,742

### 4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000
Hire of facilities	173	—	173
Catering income	414	—	414
Trip income	—	173	173
Community Arts income	17	—	17
Miscellaneous income	93	—	93
	697	173	870

	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



**5 Investment income**

	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000
Short term deposits	8	—	8
	<u>8</u>	<u>—</u>	<u>8</u>
	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2019 Total £'000</i>
Short term deposits	11	—	11
	<u>11</u>	<u>—</u>	<u>11</u>

**6 Expenditure**

	Staff costs £'000	Non pay expenditure		2020 Total funds £'000
		Premises £'000	Other costs £'000	
Expenditure on raising funds	334	—	289	623
Academy's educational operations:				
. Direct costs	13,460	—	1,391	14,851
. Allocated support costs	4,903	11,826	753	17,482
Teaching School – direct	62	—	11	73
Teaching School – support	17	—	3	20
	<u>18,776</u>	<u>11,826</u>	<u>2,447</u>	<u>33,049</u>

	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
	<u>16,827</u>	<u>2,795</u>	<u>2,677</u>	<u>22,299</u>

	2020 £'000	2019 £'000
<b>Net income/(expenditure) for the period includes:</b>		
Operating lease rentals		92
(Gain) loss on disposal of fixed assets	9	—
Depreciation	1,516	1,409
Fees payable to auditor for:		
. Audit	20	12
. Other services	4	7

**7 Charitable activities - academy's educational operations**

	2020 Total funds £'000	2019 Total funds £'000
Direct costs – educational operations	14,851	13,788
Support costs – educational operations	17,482	7,728
	<b>32,333</b>	<b>21,516</b>

	2020 Total funds £'000	2019 Total funds £'000
<b>Analysis of support costs</b>		
Support staff costs	4,903	4,184
Depreciation	1,524	1,409
Impairment charge on fixed assets (note 13)	8,971	—
Technology costs	255	273
Premises costs	1,331	1,384
Other support costs	475	458
Governance costs	23	20
<b>Total support costs</b>	<b>17,482</b>	<b>7,728</b>

## 8 Comparative information

Analysis of income and expenditure in the year ended 31 August 2019 between restricted and unrestricted funds:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2019 Total funds £'000
<b>Income and endowments from:</b>				
Donations and capital grants	33	47	1,614	1,694
Charitable activities:				
. Funding from the academy trust's educational operations	—	17,742	—	17,742
. Teaching school	—	150	—	150
Other trading activities	852	428	—	1,280
Investments	11	—	—	11
<b>Total income</b>	<b>896</b>	<b>18,367</b>	<b>1,614</b>	<b>20,877</b>
<b>Expenditure on:</b>				
Raising funds	656	—	—	656
Charitable activities:				
. Academy's educational operations	—	20,107	1,409	21,516
. Teaching school	—	127	—	127
<b>Total expenditure</b>	<b>656</b>	<b>20,234</b>	<b>1,409</b>	<b>22,299</b>
<b>Net income/(expenditure)</b>	<b>240</b>	<b>(1,867)</b>	<b>205</b>	<b>(1,422)</b>
<b>Transfers between funds</b>	<b>(286)</b>	<b>286</b>	<b>—</b>	<b>—</b>
<b>Other recognised (losses)</b>				
Actuarial (losses) on defined benefit pension scheme	—	(459)	—	(459)
<b>Net movement in funds</b>	<b>(46)</b>	<b>(2,040)</b>	<b>205</b>	<b>(1,881)</b>
<b>Reconciliation of funds</b>				
Total fund balances brought forward at 1 September	1,440	(4,537)	56,875	53,778
<b>Total fund balances carried forward at 31 August</b>	<b>1,394</b>	<b>(6,577)</b>	<b>57,080</b>	<b>51,897</b>



## 9 Staff

### (a) Staff costs

Staff costs during the year were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	13,218	11,721
Social security costs	1,289	1,124
Pension costs	3,929	3,640
	18,436	16,485
Staff supply costs	322	342
Staff restructuring costs	18	—
	18,776	16,827

Staff restructuring costs comprise:

	2020 Total funds £'000	2019 Total funds £'000
Severance payments	18	—
	18	—

### (b) Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £18,000 (2019: nil).

### (c) Staff numbers

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

Charitable activities	2020 No.	2019 No.
Teachers	222	207
Administration and support	315	292
Management	38	31
	575	530

**9 Staff (continued)**

**(d) Higher paid staff**

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

	2020 No.	2019 No.
£60,001 - £70,000	4	9
£70,001 - £80,000	4	1
£80,001 - £90,000	1	—
£90,001 - £100,000	1	2
£100,001 - £110,000	1	—
£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 £433,858 (2019: £384,000).

**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:

	2020 £'000	2019 £'000
Miss M Davies (Chief Executive Officer and Trustee – resigned 16 July 2019)		
. Remuneration	—	110 – 115
. Employer's pension contributions	—	20 – 25
Mr J Peck (Chief Financial and Operations Officer and Trustee – resigned 29 October 2018)		
. Remuneration	—	15 – 20
. Employer's pension contributions	—	0 – 5

During the period ended 31 August 2020, travel and subsistence expenses totalling £720 were reimbursed or paid directly to three Trustees (2019: £2,000 to eleven 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.

# **12 Intangible fixed assets**

	Computer software £'000
<b>Cost</b>	
At 1 September 2019	30
Additions	11
At 31 August 2020	41
<b>Amortisation</b>	
At 1 September 2019	—
Charged in year	8
At 31 August 2020	8
<b>Net book value</b>	
At 31 August 2020	33
At 31 August 2019	30



### 13 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Long leasehold improve- ments £'000	Assets under construc- tion £'000	Furniture and equipment £'000	Computer equipment £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>								
At 1 September 2019	13,500	44,911	3,002	1,074	117	1,131	554	64,289
Donated assets on transfer	—	1,925	—	—	—	—	—	1,925
Additions	—	46	1,226	435	4	112	—	1,823
Impairment	—	(14,981)	—	—	—	—	—	(14,981)
Disposals	—	—	—	—	—	(47)	(55)	(102)
Transfers	—	22	1,052	(1,074)	—	—	—	—
At 31 August 2020	13,500	31,923	5,280	435	121	1,196	499	52,954
<b>Depreciation</b>								
At 1 September 2019	192	5,421	525	—	42	781	352	7,313
Charged in the year	192	926	148	—	11	190	49	1,516
Impairment	—	(6,010)	—	—	—	—	—	(6,010)
Disposals	—	—	—	—	—	(47)	(40)	(87)
At 31 August 2020	384	337	673	—	53	924	361	2,732
<b>Net book values</b>								
At 31 August 2020	13,116	31,586	4,607	435	68	272	138	50,222
At 31 August 2019	13,308	39,490	2,477	1,074	75	350	202	56,976

Two academies joined the group during 2019/20 (2018/19 – nil), transferring from local authorities. The value of the buildings transferred on conversion is included within tangible fixed assets (note 30). Assets under construction are academy buildings that have been funded from DfE capital grants.

Following the valuation of properties at Maiden Erlegh Reading and Maiden Erlegh School commissioned during the year, an impairment charge of £8.97m was recognised in the financial statements.

**14 Debtors**

	2020 £'000	2019 £'000
Trade debtors	36	43
VAT recoverable	132	186
Other debtors	8	6
Prepayments and accrued income	497	295
	<b>673</b>	<b>530</b>

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

	2020 £'000	2019 £'000
Trade creditors	280	371
Other taxation and social security	366	280
Other creditors	64	15
Accruals and deferred income*	891	752
Loans (note 16)	38	32
	<b>1,639</b>	<b>1,450</b>

\*Deferred income element amounts to £314k (2019: £193k).

**16 Creditors: amounts falling due in greater than one year**

	2020 £'000	2019 £'000
Loans	149	122
	<b>149</b>	<b>122</b>

**Analysis of loans**

	2020 £'000	2019 £'000
<b>Less than one year (note 15)</b>		
Salix loan – boiler and heating system replacement (1)	15	15
Salix loan – roofing project (2)	2	3
CIF loan – roofing project (3)	10	10
Salix loan – LED lighting upgrade (4)	4	4
Salix loan – roofing project (5)	7	—
	<b>38</b>	<b>32</b>

	2020 £'000	2019 £'000
<b>More than one year (above)</b>		
Salix loan – boiler and heating system replacement (1)	30	45
Salix loan – roofing project (2)	—	2
CIF loan – roofing project (3)	2	10
Salix loan – LED lighting upgrade (4)	6	10
Salix loan – roofing project (5)	47	55
Salix loan – LED lighting upgrade (6)	64	—
	<b>149</b>	<b>122</b>

# 16 Creditors: amounts falling due in greater than one year (continued)

(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.

(6) Loan of £64k from SALIX provided at 0% over 8 years has £64k remaining and is repayable at £8k per annum. Maturity date 1 March 2029.

# 17 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	—	17,119	(17,110)	—	9
Start up grant	—	139	(139)	—	—
Pupil premium	175	580	(666)	—	89
Other grants	518	2,571	(2,955)	—	134
Pension reserve	(7,270)	(1,326)	(1,061)	(1,480)	(11,137)
	<u>(6,577)</u>	<u>19,083</u>	<u>(21,931)</u>	<u>(1,480)</u>	<u>(10,905)</u>
<b>Restricted fixed assets fund</b>					
Transfer on conversion	39,439	1,925	(9,755)	—	31,609
DfE/EFA capital grants	16,301	1,004	(684)	—	16,621
Capital expenditure from GAG / unrestricted funds	1,340	—	(56)	529	1,813
	<u>57,080</u>	<u>2,929</u>	<u>(10,495)</u>	<u>529</u>	<u>50,043</u>
<b>Total restricted funds</b>	<u>50,503</u>	<u>22,012</u>	<u>(31,223)</u>	<u>(951)</u>	<u>39,138</u>
<b>Total unrestricted funds</b>	<u>1,394</u>	<u>794</u>	<u>(623)</u>	<u>(529)</u>	<u>1,036</u>
<b>Total funds</b>	<u>51,897</u>	<u>22,806</u>	<u>(33,049)</u>	<u>(1,480)</u>	<u>40,174</u>



## 17 Funds (continued)

**Analysis of academies by fund balance**

Fund balances at 31 August were allocated as follows:

	2020 £'000	2019 £'000
Cranbury College	(9)	—
Maiden Erlegh School	778	1,038
Maiden Erlegh School in Reading	1,011	848
Great Hollands Primary School	(114)	147
Hamilton School	68	—
Maiden Erlegh Chiltern Edge	16	204
Central services	(482)	(150)
Total before fixed assets and pension reserve	1,268	2,087
Restricted fixed asset fund	50,043	57,080
Pension reserve	(11,137)	(7,270)
	40,174	51,897

**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 2020 £'000	Total 2019 £'000
Cranbury College	118	56	—	11	185	—
Maiden Erlegh School	6,674	1,421	439	1,524	10,058	9,805
Hamilton School	399	102	65	174	740	—
Maiden Erlegh School in Reading	3,210	908	219	893	5,230	4,209
Great Hollands Primary School	1,237	296	101	355	1,989	2,173
Maiden Erlegh Chiltern Edge	1,465	556	105	534	2,660	2,386
Central services	374	820	42	(673)	563	656
<b>Maiden Erlegh Trust</b>	<b>13,477</b>	<b>4,159</b>	<b>971</b>	<b>2,818</b>	<b>21,425</b>	<b>19,229</b>

	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
<b>Maiden Erlegh Trust</b>	<b>11,453</b>	<b>3,714</b>	<b>854</b>	<b>3,208</b>	<b>19,229</b>

## 17 Funds (continued)

**Comparative information**

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
<b>Restricted general funds</b>					
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>
<b>Restricted fixed assets fund</b>					
Transfer on conversion	39,439	—	—	—	39,439
DfE/EFA capital grants	16,096	1,614	(1,409)	—	16,301
Capital expenditure from GAG / other funds	1,340	—	—	—	1,340
	<u>56,875</u>	<u>1,614</u>	<u>(1,409)</u>	<u>—</u>	<u>57,080</u>
<b>Total restricted funds</b>	<u>52,338</u>	<u>19,981</u>	<u>(21,643)</u>	<u>(173)</u>	<u>50,503</u>
<b>Total unrestricted funds</b>	<u>1,440</u>	<u>896</u>	<u>(656)</u>	<u>(286)</u>	<u>1,394</u>
<b>Total funds</b>	<u>53,778</u>	<u>20,877</u>	<u>(22,299)</u>	<u>(459)</u>	<u>51,897</u>

## 18 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Assets Fund £'000	Total 2020 £'000	Total 2019 £'000
Intangible fixed assets	—	—	33	33	30
Tangible fixed assets	—	—	50,222	50,222	56,976
Current assets	1,036	2,020	(212)	2,844	3,733
Current liabilities	—	(1,639)	—	(1,639)	(1,450)
Non-current liabilities	—	(149)	—	(149)	(122)
Pension scheme liability	—	(11,137)	—	(11,137)	(7,270)
<b>Total net assets</b>	<u>1,036</u>	<u>(10,905)</u>	<u>50,043</u>	<u>40,174</u>	<u>51,897</u>

**18 Analysis of net assets between funds (continued)**

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

**19a Commitments under operating leases**

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

	2020 £'000	2019 £'000
Amounts due within one year	68	84
Amounts due between one and five years	78	149
Amounts due after five years	—	55
	<b>146</b>	<b>288</b>

**19b Capital commitments**

At 31 August 2020, the Trust had capital commitments totalling £401k.

**20 Reconciliation of net expenditure to net cash flow from operating activities**

	2020 £'000	2019 £'000
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(10,243)</b>	<b>(1,422)</b>
<b>Adjustments for:</b>		
Inherited tangible assets	(1,925)	—
Inherited pension deficit	1,326	—
Depreciation	1,516	1,409
Amortisation	8	—
Impairment charge on fixed assets	8,971	—
Capital grants from DfE and other capital income	(1,004)	(1,615)
Loss on disposal of fixed assets	9	—
Interest receivable	(8)	(11)
Defined benefit pension scheme cost less contributions payable	1,061	1,661
(Increase) decrease in debtors	(143)	354
Increase in creditors	189	110
<b>Net cash (used in) provided by operating activities</b>	<b>(243)</b>	<b>486</b>



## 21 Cash flows from financing activities

	2020 £'000	2019 £'000
Repayments of borrowing	(31)	(32)
Cash inflows from new borrowing	64	55
<b>Net cash provided by financing activities</b>	<b>33</b>	<b>23</b>

## 22 Cash flows from investing activities

	2020 £'000	2019 £'000
Dividends, interest and rents from investments	8	11
Purchase of intangible fixed assets	(11)	(30)
Purchase of tangible fixed assets	(1,823)	(1,420)
Capital grants from DfE / ESFA	1,004	1,615
<b>Net cash (used in) provided by operating activities</b>	<b>(822)</b>	<b>176</b>

## 23 Analysis cash and cash equivalents

	2020 £'000	2019 £'000
Cash in hand and at bank	2,171	3,203
<b>Total cash and cash equivalents</b>	<b>2,171</b>	<b>3,203</b>

## 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 2020 (2019: £nil) and are included within creditors.

## 25 Pension and similar obligations (continued)

### *Teachers' Pension Scheme*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

### *Valuation of the Teachers' Pension Scheme*

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

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

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

The employer's pension costs paid to TPS in the period amounted to £2,119,104 (2019: £1,333,323).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website.

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

## 25 Pension and similar obligations (continued)

### *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 2020 was £953,000 (2019: £830,000), of which employer's contributions totalled £721,000 (2019: £627,000) and employees' contributions totalled £232,000 (2019: £203,000). The agreed contribution rates for future years are 20.6% from April 2021 and 21.6% from April 2022 for employers for the Berkshire Pension Fund and 18.0% for employers for the Oxfordshire Pension Fund, 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.

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2020</b>	<b>At 31 August 2019</b>
Rate of increase in salaries	<b>3.25%</b>	3.80%
Rate of increase for pensions in payment / inflation	<b>2.30%</b>	2.30%
Discount rate for scheme liabilities	<b>1.60%</b>	2.65%
Inflation assumption (CPI)	<b>2.30%</b>	2.30%
Commutation of pensions to lump sums	<b>50.00%</b>	50.00%

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

	<b>At 31 August 2020</b>	<b>At 31 August 2019</b>
<i>Retiring today</i>		
Males	<b>21.5</b>	22.1
Females	<b>24.1</b>	24.0
<i>Retiring in 20 years</i>		
Males	<b>22.9</b>	23.7
Females	<b>25.5</b>	25.8



**25 Pension and similar obligations (continued)*****Local Government Pension Scheme (LGPS) (continued)***

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equity instruments	4,089	2,897
Bonds	938	755
Cash	630	408
Other	—	487
Property	1,254	657
<b>Total market value of assets</b>	<b>6,911</b>	<b>5,204</b>

	2020 £'000	2019 £'000
<b>Amounts recognised in statement of financial activities</b>		
Current service cost (net of employer contribution)	915	1,151
Past service cost	—	131
Net interest cost	141	129
Benefit changes	5	5
<b>Total operating charge</b>	<b>1,061</b>	<b>1,416</b>

<b>Changes in the present value of defined benefit obligations were as follows:</b>	2020 £'000	2019 £'000
<b>At 1 September</b>	<b>12,852</b>	<b>9,534</b>
Inherited liabilities transferred in	2,097	—
Current service cost	1,636	1,278
Interest cost	260	267
Employee contributions	232	203
Actuarial loss	1,021	1,201
Benefits paid	(50)	(213)
Past service cost	—	582
<b>At 31 August</b>	<b>18,048</b>	<b>12,852</b>

<b>Changes in the fair value of the scheme's assets:</b>	2020 £'000	2019 £'000
<b>At 1 September</b>	<b>5,582</b>	<b>4,384</b>
Inherited assets transferred in	771	—
Interest income	119	396
Return on plan assets	(459)	190
Administrative expenses	(5)	(5)
Employer contributions	721	627
Employee contributions	232	203
Benefits paid	(50)	(213)
<b>At 31 August</b>	<b>6,911</b>	<b>5,582</b>

## 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 2020 the Trust received £21,646 and disbursed £11,611 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:

- ♦ IT support
- ♦ 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:

## 29 Central services (continued)

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Cranbury College	8	—
Maiden Erlegh School	490	419
Maiden Erlegh School in Reading	346	186
Hamilton School	41	—
Great Hollands Primary School	84	81
Maiden Erlegh Chiltern Edge	133	103
	<b>1,102</b>	<b>789</b>

## 30 Transfer from Local Authority on conversion

During the year ended 31 August 2020, two academies joined the Trust. At the date of conversion to Academy status under the Academies Act 2010, the operations and assets and liabilities were transferred to the group for £nil consideration. The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following tables sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

### *Hamilton School:*

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
Tangible fixed assets				
. Leasehold land and buildings	—	—	205	205
LGPS pension deficit	—	(887)	—	(887)
<b>Net (liabilities) / assets</b>	<b>—</b>	<b>(887)</b>	<b>205</b>	<b>(682)</b>

### *Cranbury College:*

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
Tangible fixed assets				
. Leasehold land and buildings	—	—	1,720	1,720
LGPS pension deficit	—	(439)	—	(439)
<b>Net (liabilities) / assets</b>	<b>—</b>	<b>(439)</b>	<b>1,720</b>	<b>1,281</b>

## 30 Transfer from Local Authority on conversion (continued)

**Total:**

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
Tangible fixed assets				
· Leasehold land and buildings	—	—	1,925	1,925
LGPS pension deficit	—	(1,326)	—	(1,326)
<b>Net (liabilities) / assets</b>	<b>—</b>	<b>(1,326)</b>	<b>1,925</b>	<b>599</b>

## 31 Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
<b>Income</b>				
<b>Direct income</b>				
Teaching School grants	67		91	
<b>Other income</b>				
Fundraising and other trading activities	50		59	
		117		150
<b>Expenditure</b>				
<b>Direct costs</b>				
Direct staff costs	62		75	
Staff development	9		8	
Other direct costs	2		10	
<b>Total direct costs</b>		(73)		(93)
<b>Indirect costs</b>				
Support staff costs	17		9	
Recruitment and support	1		—	
Other support costs	2		21	
Share of governance costs	—		4	
<b>Total indirect costs</b>		(20)		(34)
<b>Total operating costs</b>		(93)		(127)
<b>Surplus from all sources</b>		24		23
<b>Teaching school balances at 1 September</b>		64		41
<b>Teaching school balances at 31 August</b>		88		64



