

Companies House

**The Eden Academy**

**Annual Report and Financial Statements**

For the year ended 31 August 2020

Company Limited by Guarantee  
Registration Number  
08036395 (England and Wales)



**The Eden Academy**  
**Reference and Administrative Information**

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**The Eden Academy  
Reference and Administrative Information**

**Members**

Hardip Begol (Chair)  
Judith Hemery Howick  
Mark Lemon  
Barry Nolan  
Pamela Stentiford

**Directors /  
Trustees**

Barry Nolan\* (Chair)  
James Clarke \* (Deputy Chair)  
Mary Canavan  
Victoria Collis \*  
Karen Deacon  
Brian Eaton \*  
Mariangela Ladu  
Helen Milner  
Angela St John

*\* members of the Finance Committee*

**Company Secretary and Clerk to the Board**

Keith Holroyd

**Senior Leadership Team**

Chief Executive Officer (CEO) and Accounting Officer  
Director for Academy Development  
Director for Central Services and Schools  
Director of Finance and Operations

Susan Douglas  
John Ayres  
Paul Van Walwyk (from 1 September 2020)  
Sudhi Pathak

Headteacher of Alexandra School and  
Executive Head of Pentland Field School  
Executive Head of Grangewood School  
Headteacher of Grangewood School  
Headteacher of Hexham Priory School  
Headteacher of James Rennie School  
Headteacher of Moorcroft School and  
Executive Head of RNIB Sunshine House School  
Head of School, Pentland Field School  
Executive Head of RNIB Sunshine House School  
Head of School, RNIB Sunshine House School

Perdy Buchanan-Barrow  
Susan Douglas (until 31 August 2020)  
Liz Edwards^  
Liz Davison  
Kris Williams  
  
Andrew Sanders  
Ivan Talbot  
John Ayres (until 31 August 2020)  
Mark Fuell

*^ Headteacher of Grangewood School from 1 September 2020; Previously Head of School, Grangewood School*

**The Eden Academy**  
**Reference and Administrative Information (continued)**

<b>Registered address</b>	Grangewood School Fore Street Eastcote Pinner Middlesex HA5 2JQ United Kingdom
<b>Website</b>	<a href="http://www.theedenacademy.co.uk">www.theedenacademy.co.uk</a>
<b>Company registration number</b>	08036395 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Bank plc 286-288 Station Road Harrow HA1 2EB
<b>Solicitors</b>	TPP Law Ltd Enterprise House 1-2 Hatfields London SE1 9PG

**The Eden Academy**  
**Directors' Report (incorporating Strategic report) Year ended 31 August 2020**

The Directors of The Eden Academy ('the Academy Trust' or 'the Trust') present their annual report together with the financial statements and the auditor's report and accountant's report of the charitable company for the year to 31 August 2020. The Directors of the Academy Trust for the purposes of company law are also the Trustees for The Eden Academy for the purposes of charity law, and as such, the terms Director and Trustee are used interchangeably within this report. This annual report serves the purposes of a Directors' Report under company law and a Trustees' report under charity law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 38 to 43 of the attached financial statements and comply with the Academy Trust's memorandum and articles of association, applicable laws and 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 (FRS 102) (Charities SORP FRS102).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Principal activities**

The Eden Academy delivers education to pupils with severe and moderate learning difficulties in the Local Authority area of Hillingdon at Grangewood School, Moorcroft School and Pentland Field School, in the Local Authority area of Harrow at Alexandra School, in Northumberland County Council area at Hexham Priory School and in Cumbria County Council area at James Rennie School. The Eden Academy has a contractual relationship with the RNIB Sunshine House School in the Local Authority of Hillingdon.

### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Directors of The Eden Academy are also the Directors of the charitable company for the purposes of company law. The charitable company is known as The Eden Academy.

### **Members' liability**

Each Member of The Eden Academy undertakes to contribute to the assets of the Academy Trust 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 (as detailed in the Articles of Association).

**The Eden Academy****Directors' Report (incorporating Strategic report) (continued) Year ended 31 August 2020****STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)****Directors' indemnities**

The Academy Trust has opted into the Department for Education's (DfE) Risk Protection Arrangement (RPA), an alternative to insurance, where UK government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees' and Officers' indemnity element from the overall cost of the RPA scheme.

**Directors**

The following Directors were in office during the year ended 31 August 2020 and/or up to the date of approval of this report except where shown.

<b>Directors / Trustees</b>	<b>Appointed/Resigned</b>
Barry Nolan (Chair)	
James Clarke (Deputy Chair)	
Hardip Begol	Resigned 23 September 2019
Mary Canavan	Appointed 7 February 2020
Victoria Collis	
Karen Deacon	
Susan Douglas	Resigned 31 August 2020
Brian Eaton	
Mariangela Ladu	Appointed 7 February 2020
Helen Milner	
Mirvette Russo	Appointed 7 February 2020 and Resigned 5 October 2020
Angela St John	
Collette Stone	Resigned 31 August 2020

**Method of recruitment and appointment or election of Directors**

The CEO continued as a Director until 31 August 2020, after which her appointment had ceased in line with current good practice. In order to maintain the financial acumen within the Board, the company has a Trustee with responsibility for finance. The Board has also taken a decision to allocate portfolio roles to individual Directors to enable them to have an in-depth knowledge of an area of academy performance and to utilise individual expertise as effectively as possible. As such, the Board has Trustees with responsibility for:

- ♦ Finance, including chairing the Finance Committee;
- ♦ Standards and school performance;
- ♦ Safeguarding;
- ♦ Asset management, ICT and data protection/GDPR;
- ♦ Human resources, including chairing the Remunerations Committee;

## **The Eden Academy**

**Directors' Report (incorporating Strategic report)** (continued) Year ended 31 August 2020

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

#### **Method of recruitment and appointment or election of Directors** (continued)

- ◆ Central Services;
- ◆ Free schools project; and
- ◆ Marketing and communications.

All new Trustees were approved by the Members following a rigorous appointment process.

#### **Policies and procedures adopted for the induction and training of Directors**

In addition to internal inductions, The Eden Academy purchases training from The Key and the Confederation of School Trusts, specifically in relation to governance. In addition, it is a member of the National Governance Association (NGA). Trustees also receive annual training on safeguarding.

#### **Organisational structure**

An up-to-date organisation structure is available on the Academy Trust's website.

The Academy Trust has a Chief Executive Officer (CEO) of the Academy Trust, who also acts as the Academy Trust's Accounting Officer. The CEO's role and responsibilities are as follows:

##### ***The role of the CEO***

The CEO is responsible for leading the organisation in taking forward its vision, mission, values and strategy in collaboration with the Senior Leadership Team, Directors, staff and other stakeholders.

##### ***Strategic leadership***

To work with the Senior Leadership Team, Board, staff and other key stakeholders to:

- ◆ Develop the vision, mission and values for The Eden Academy including the aim to educate, develop, enrich and nurture (EDEN) our pupils;
- ◆ Set, implement and review strategy for the organisation;
- ◆ Seek new opportunities and partnerships to enrich the work of The Eden Academy and develop its ethos, practices and reputation; and
- ◆ Support the Board in determining and identifying the success criteria and Key Performance Indicators (KPIs) of the Senior Leadership Team.

##### ***Operational and financial management***

- ◆ To provide a vision, strategic and operational plans for all staff at The Eden Academy;
- ◆ To ensure strategies are in place to build and motivate teams and develop their capabilities and performance;

**The Eden Academy**

**Directors' Report (incorporating Strategic report) (continued)** Year ended 31 August 2020

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

**Organisational structure (continued)**

***The role of the CEO (continued)***

*Operational and financial management (continued)*

- ◆ To ensure that all staff at The Eden Academy understand organisational goals and share a commitment to delivering them;
- ◆ To ensure that the organisation is in a healthy financial position and manages its finances and resources prudently and effectively;
- ◆ To work in close partnership with the Directors and the Senior Leadership Team to ensure clear and robust lines of accountability;
- ◆ To develop and maintain excellent working relations with The Eden Academy Board; and
- ◆ To support The Eden Academy Board so that it fulfils its governance function effectively.

During the period between the introduction of the government's Covid-19 lockdown measures in March 2020 and up to the end of August 2020, the operational decisions required by The Eden Academy were constantly changing with extremely short timescales. Decisions that would normally have been discussed with the Board and/or Finance Committee were delegated to the CEO. These delegated decision making powers were used in order to be able to react to events in a timely manner. The Board was kept informed of decisions made and the CEO was in direct contact with Board members and the Chair of the Board where required. The decision making process has, since September 2020, reverted back to usual channels

*External Communications*

- ◆ To develop and communicate a consistent, appropriate and effective brand for the organisation based on The Eden Academy's core values;
- ◆ To represent the organisation effectively with external agencies including the DfE, policy makers and other key stakeholders;
- ◆ To build and develop networks in the local communities to promote and raise the profile of the Academy Trust and create sponsors and partners; and
- ◆ To develop The Eden Academy's profile as a pioneering, influential and thoughtful voice at the forefront of thinking in the Special Educational Needs (SEN) arena.

The Academy Trust has carried out a review of the current state of play of all policies across The Eden Academy covering all aspects of its work (i.e. finance, personnel, curriculum etc.) to align the best practice across the Academy Trust merging and refining these policies for approval by the Board of Directors. The Academy Trust has provided a safe and stimulating environment for its pupils, provided a good staff to pupil ratio and the appropriate professional support from a wide range of therapists and other professionals.



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

### **Organisational structure (continued)**

#### ***The role of the CEO (continued)***

##### ***External Communications (continued)***

The Academy Trust has also worked on its structure to ensure that all six schools have worked to the high standards set by the Board of Directors. The collaboration between the six schools and RNIB has enhanced the continued professional development of the staff across The Eden Academy.

#### ***The role of the Accounting Officer***

As the Academy Trust's Accounting Officer, the CEO is personally responsible to Parliament and to the Accounting Officer of the Education and Skills Funding Agency (ESFA) for the resources under her control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources in their charge. Essentially accounting officers must be able to assure Parliament and the public of high standards of probity in the management of public funds.

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

The key management personnel of The Eden Academy responsible for directing and controlling the Academy Trust comprise the Directors together with the Senior Leadership Team as detailed at page 2. Certain members of the Senior Leadership Team also acted as Directors of the Academy Trust for the purposes of company legislations. However, these individuals were only remunerated for their services to the Academy Trust as Academy staff rather than in their capacity as a Director/Trustee. No individual is remunerated for their services as Director/Trustee.

The Eden Academy Board of Directors has appointed a Remuneration Committee, the terms of reference for which are reviewed annually and which comprises four Directors. The Remuneration Committee is responsible for setting the pay policy for the Academy Trust including that of the:

- ◆ CEO and the other members of the Senior Leadership Team;
- ◆ Heads, Deputy Heads and Assistant Heads of School; and
- ◆ Service Managers.

For the Service Managers and the Heads, Deputy Heads and Assistant Heads of School, the Remuneration Committee has set pay thresholds within the leadership scale of the School Teachers' Pay and Conditions Document (STPCD).

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

### **Organisational structure (continued)**

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

For the rest of the Senior Leadership Team, a separate pay scale has been created. In creating this pay scale the Remuneration Committee took into consideration methodology and advice set out in the STPCD, undertook a benchmarking exercise with similar size multi-academy trusts and took advice from the Managing Director of the Human Resources company from which we purchase services (Schools HR Cooperative).

#### **Trade union facility time**

None of the Academy Trust's employees were union officials or expended any time on union activities during their contracted hours of employment with the Academy Trust.

#### **Connected organisations, including related party relationships**

The Eden Academy has a contractual relationship with the RNIB Sunshine House School, whereby the time of seconded staff members of the Academy Trust are recharged at cost. There is also a fee for administrative time spent by the Academy Trust. The latest legal agreement is available on request.

#### **Engagement with employees**

The Heads will consult with their staff on aspects of school priorities providing employees with information on matters of concern to them. Key performance indicators are produced and shared with the Senior Leadership Team and with Members enabling employee participation in the performance of the organisation.

Eden Academy has adopted a Recruitment and Selection Policy and Procedure that is in line with all relevant legislation. The policy is published on the Eden Academy website.

With respect to finance, employees are consulted during the budget setting process for each school. The consultation is undertaken by the Director of Finance and Operations through the Head of each school and other senior staff. The budget setting and consultation process covers all aspects of the schools' operations and the budget is set according to the priorities of each school.

Regular formal fortnightly meetings are held between the Director of Finance and Operations and the Head of each school. These meetings enable the views of the Head to be incorporated into any decisions taken affecting the school and its employees. There is also a regular two way dialogue between the Head and the staff of the school.

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

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

Eden Academy continues to foster good working relations with suppliers by ensuring:

- ♦ Payments to suppliers are made within required timescales;
- ♦ Where payments are delayed a dialogue is maintained with the supplier;
- ♦ Tender processes are clear and transparent and are published on the Academy Trust's website; and
- ♦ Clear escalation procedures are in place in case of a dispute with The Eden Academy.

**OBJECTIVES AND ACTIVITIES**

The principal objective of The Eden Academy is to advance, for the public benefit, education in the United Kingdom. In particular by establishing, maintaining, carrying on, managing and developing schools specially organised to deliver provision for pupils with Special Educational Needs ("the Special Academies").

**Vision:** The Eden Academy will create a centre of educational excellence where our young people will achieve exceptional outcomes.

***Value statements***

- ♦ **Inclusion:** a voice for everyone and everyone is heard;
- ♦ **Focus:** children and young people are at the core of all we do;
- ♦ **Collaboration:** together we are stronger;
- ♦ **Quality:** excellence through innovation, creativity and continuous improvement; and
- ♦ **Integrity:** transparency and fairness in all we do.

**Objectives, strategies and activities**

Every year The Eden Academy constructs an Academy Trust development plan detailing the main objectives for the year ahead, and updating the three year plan. The main objectives are to develop consistency and common approaches across the Academy Trust within the following areas:

- ♦ Schools;
- ♦ Services; and
- ♦ Operations (including marketing and communications).

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Objectives, strategies and activities (continued)**

The Eden Academy also aims to develop knowledge and understanding of the individual schools across the Academy Trust.

### **Public Benefit**

The Eden Academy provides education for children and young people with significant and complex learning needs. Parents and carers do not pay fees for the services provided by the Academy Trust. The Academy Trust employs a number of service managers to oversee and co-ordinate a range of services across the schools including therapy services, family services and professional development and support services.

The Academy Trust enjoys good relationships with the local communities in which the schools are situated many of whom contribute to fundraising efforts on behalf of their local schools.

The Directors have due regard to the guidance on public benefit, published by the Charity Commission in exercising their powers or duties.

## **STRATEGIC REPORT**

### **Achievements and performance**

During the year, The Eden Academy achieved the following:

- ◆ The Eden Academy worked efficiently and effectively during the coronavirus pandemic to ensure that all children received appropriate education and access to therapies even when they were not in school. It maintained provision for its young people throughout all holiday periods and set up comprehensive services for families including supplying additional equipment and food to those most in need.
- ◆ The Eden Academy continued to move forward with a complex free school project for pupils with severe learning difficulties. This will enable a primary and secondary school to exist in each of the north and south of the London Borough of Hillingdon, fulfilling demand and significantly reducing travel time for many students.
- ◆ The Trust spent time integrating the two schools in the Northern Hub into the workings of the Academy Trust. This focused on (a) developing shared working across the Northern Hub and (b) developing shared working between Hubs.
- ◆ The Trust had two successful OFSTED inspections: an 'outstanding' outcome for Alexandra School and Grangewood moving from 'Requires Improvement' to 'Good'. The Head of School at Grangewood 'graduated' to Headteacher with effect from 1 September 2020 and thus the CEO stepped down from her role as Executive Head from the end of the 2019/20 academic year.
- ◆ The Trust's three senior headteacher roles were established. In addition, the Academy Trust recruited successfully to the post of Director for Central Services and Schools commencing 1 September 2020.

**The Eden Academy**  
**Directors' Report (incorporating Strategic report) (continued) Year ended 31 August 2020**

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

- ♦ The Eden Academy has set a surplus budget for each school in a financially challenging climate. The funds available to the Academy Trust and the related expenditure have been kept under constant review.
- ♦ The Trust began work on the updated vision and strategy document that was produced by the Board of Trustees, focusing on short to medium term plans. The plan had input from Headteachers, Local Advisory Boards and Service Managers. The vision focuses on five core areas for the next three years:
  - Our team;
  - Our outcomes;
  - Our culture;
  - Our future; and
  - Our reputation.

However the work on this was delayed because of the impact of Covid-19.

**Key performance indicators**

The Eden Academy has just completed its eighth financial year during which it has consolidated its position. The Board of Trustees have focused on the Academy Trust's cash flow, recovery of income from the new way of working in regards to top-up fees and establishing best practices across the Academy Trust. Commentary on our financial performance for the 2019/20 year and year end position is provided as part of the financial review below.

The Trust also gathers, monitors and reviews information received termly from all constituent schools in a broad range of areas to ensure our understanding of our schools' performance is as accurate as possible. This information is shared across the Trust both in the spirit of openness and also to allow school leaders to work together on matters of school improvement. The Academy Trust has identified and reports on the following key performance indicators (KPIs) which are monitored for all constituent schools and the Trust:

**School OFSTED grading**

The Trust aims to maintain and improve the OFSTED ratings of its schools. The following table provides the official rating for each school.

School	Grading
Alexandra School	Outstanding (2016 and 2019)
RNIB Sunshine House	Outstanding (2019)
Moorcroft School	Outstanding (2019)
Grangewood School	Good (2020)
Pentland Field School	Good (2018)
James Rennie School	Outstanding (2018)
Hexham Priory School	Outstanding (2018)

**The Eden Academy**  
**Directors' Report (incorporating Strategic report)** (continued) Year ended 31 August 2020

**STRATEGIC REPORT** (continued)

**Key performance indicators** (continued)

**Student attendance rates**

<b>School</b>	<b>Attendance %</b>	<b>Authorised absence %</b>	<b>Unauthorised absence %</b>	<b>Persistent absence % (&lt;90%)</b>
Alexandra	91.4	6.8	1.8	25.9
<i>Harrow comparator</i>	91.3	7.7	1.0	24.7
Grangewood	89.2	8.7	1.1	40.5
Moorcroft	92.4	6.6	1.0	25.0
Pentland Field	92.6	5.1	2.3	24.0
Sunshine House	81.1	18.9	0.0	54.2
<i>Hillingdon comparator</i>	87.9	8.8	3.3	34.0
<i>Outer London comp</i>	89.8	8.0	2.3	31.2
Hexham Priory	93.3	6.1	0.6	25.0
<i>Northumberland comp</i>	90.8	7.1	2.1	26.2
<i>North-East comparator</i>	90.3	6.7	2.9	26.5
James Rennie	91.8	7.6	0.4	22.0
<i>Cumbria comparator</i>	90.5	9.0	0.5	24.9
<i>North-West comparator</i>	90.5	7.9	2.6	30.1
<i>England</i>	89.8	8.0	2.2	29.6

*Note - all comparators are for special schools*

It should be noted that Sunshine House caters for our most disabled pupils and only has a maximum of 48 on roll. As such, a more detailed report is available on request which outlines reasons for absence and the associated action plan.

As a result of government's Covid-19 lockdown measures, all schools within the Academy Trust had lost school days ranging between 30 to 41 days during 2019/20.

**The Eden Academy**  
**Directors' Report (incorporating Strategic report) (continued)** Year ended 31 August 2020

**STRATEGIC REPORT (continued)**

**Key performance indicators (continued)**

**Student occupancy**

School	On roll	Capacity	% Occupancy
Alexandra	80	80	100.0%
Grangewood	109	90	121.1%*
Hexham Priory	108	112	96.4%
James Rennie	145	150	93.3%
Moorcroft	90	70	128.6%*
Pentland Field	145	147	98.6%
Sunshine House	47	50	94.0%

\* Capacity statistics are based on the numbers upon which funding had been originally allocated rather than being linked to the availability of physical space. Where occupancy levels have exceeded 100%, this is as a result of additional student numbers agreed with our funders, and further to consent from of our regulators.

**Number of safeguarding concerns raised**

School	Child protection plans		Children-in-need plans		MASH referrals	LADO referrals		Early help	DSLs
	Open	Closed	Open	Closed		Open	Resolved		
Alexandra	2	0	4	0	4	0	0	0	3
Grangewood	2	1	30	0	2	1	1	0	3
Hexham Priory	0	0	13	0	0	0	0	2	3
James Rennie	2	0	2	0	0	1	1	0	4
Moorcroft	0	0	25	0	1	1	1	2	0
Pentland Field	0	0	29	0	9	1	2	5	4
Sunshine House	0	0	16	0	0	0	0	0	12

MASH = Multi-Agency Safeguarding Hub  
 DSL = Designated Safeguarding Leads

LADO = Local Authority Designated Officer

**The Eden Academy**  
**Directors' Report (incorporating Strategic report) (continued)** Year ended 31 August 2020

**STRATEGIC REPORT (continued)**

**Key performance indicators (continued)**

**Financial KPIs**

	<b>Teachers' salaries as % of total actual spend</b>	<b>All staff salaries as % of total actual spend</b>
<b>Alexandra</b>		
2018/19	42%	79%
2019/20	40%	83%
<b>Grangewood</b>		
2018/19	26%	83%
2019/20	27%	84%
<b>Moorcroft</b>		
2018/19	25%	82%
2019/20	24%	84%
<b>Pentland Field</b>		
2018/19	26%	77%
2019/20	29%	84%
<b>James Rennie</b>		
2018/19	36%	84%
2019/20	38%	85%
<b>Hexham Priory</b>		
2018/19	35%	83%
2019/20	39%	85%
<b>Schools Total</b>		
<b>2018/19</b>	<b>32%</b>	<b>81%</b>
<b>2019/20</b>	<b>33%</b>	<b>84%</b>

Changes in the above ratios between 2018/19 and 2019/20 may arise for a variety of reasons and should not be interpreted as the Academy Trust achieving less value for money. For example, costs savings achieved with respect to non-payroll related costs may give rise to a larger percentage. A change in the composition of staff may also influence the above ratios. It should, however, be noted that both Alexandra School and Pentland Field School had increased the number of teachers and learning support assistants in 2019/20.



**The Eden Academy****Directors' Report (incorporating Strategic report) (continued) Year ended 31 August 2020****STRATEGIC REPORT (continued)****Financial review**

The results for the year are shown in the Statement of Financial Activities on page 35.

Income for the year ended 31 August 2020 totalled £19,827k (2019 - £29,376k). The comparative income, however, includes the value of net assets inherited from the relevant local authority upon James Rennie and Hexham Priory converting to academy status and joining the Academy Trust. Excluding the conversion balances, income for the year ended 31 August 2019 totalled £19,588k. This recurring income was derived principally from ESFA and local authority top-up funding. Top up fees from Hillingdon, Northumberland and Cumbria are provided using a banded system based on the needs of each pupil identified through individual Education Health Care Plans. Top up fees from Harrow were negotiated in 2019/20 with new rates to take effect from 2020/21. Out of Borough top up fees are negotiated on a case by case basis and agreed with each Head and the Director of Finance and Operations.

Expenditure for the year ended 31 August 2020 totalled £21,680k (2019 - £20,862k). The major part of the Academy Trust's expenditure is in relation to its staff costs which amounted to £18,412k (2019 - £17,108k). After accounting for the actuarial losses on the Local Government Pension Schemes of £1,043k (2019 – losses of £4,655k), the overall net decrease in funds was £2,896k (2019 – net increase of £3,859k).

The Academy Trust's projected funding for 2019/20 was not affected by the impact of Covid-19 – both central and local government have continued to fund the Academy Trust as previously agreed. There were some additional cost savings for the Academy Trust (such as reduced premises costs as a result of school closures) which has been offset by increased Covid-19 related costs in other areas.

**Reserves policy and financial position**

The Academy Trust has ended the year with total reserves of £15,602k (2019 - £18,498k) which comprises the balance on the fixed assets fund of £29,875k (2019 - £30,314k) a restricted income fund balance of £1,788k (2019 - £2,016k), an unrestricted income fund balance of £1,386k (2019 - £645k) and the pension deficit fund balance of £17,447 (2019 - £14,477k).

The aggregate of the restricted income fund balance and the unrestricted income fund is £3,174k (2019 - £2,661k) and this is considered to be the free reserves of the Academy Trust available to meet the day-to-day requirements of The Eden Academy. All restricted income funds were from revenue funding and are available for the general purposes of the Academy Trust. The growth in the value of the Academy Trust's free reserves – £513k (2019 - £451k) – is effectively the Academy Trust's operational surplus for the year.

The reserves policy was last approved by the Board in November 2019 and is reviewed every three years. The Academy Trust aims to hold free reserves of between 2% and 6% of income. At the end of August 2020 the level of general reserves were at 16.3% (2019 – 14.0%) of income (excluding conversion balances and capital income). The Trustees acknowledge that the reserves held is in excess of the target level set. However, they also acknowledge that holding additional reserves will be prudent in the short term to cover:

**STRATEGIC REPORT (continued)**

**Reserves policy and financial position (continued)**

- ◆ The risk attached to the complexities of the free school project;
- ◆ Uncertainties around future funding; and
- ◆ The funding requirements for capital projects in line with the priorities of the Academy Trust's Asset Management Plan.

Therefore, the Trustees are satisfied with the Academy Trust's reserves position at 31 August 2020.

Eden Academy continues to work with the ESFA to progress the two new planned free schools. There has been no direct financial impact on Eden Academy. No income has been received and no direct expenditure has been occurred. No assets or liabilities have been acquired.

**Going concern**

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

In forming this assessment, the Directors have considered the impact of the current Coronavirus pandemic on the Academy Trust, with a particular focus on its effect on the Academy Trust's financial position including its income, expenditure and reserves; its beneficiaries, and its employees. Whilst the Directors acknowledge the disruption caused by the pandemic to the Academy Trust's day-to-day operations, they do not consider this to be cause for material uncertainty in respect of the Academy Trust's ability to continue as a going concern.

**Investment policy**

The Academy Trust's policy is to hold any surplus funds in appropriate bank accounts.

**Fundraising**

Each of the schools within The Eden Academy is supported by a separate independent charity which fundraises on behalf of that school, but which is not directly controlled by the Academy Trust. The not-for-profit status of these charities allow them to apply for grants through organisations such as the Lottery and Children in Need. Each supporting charity has secure systems in place for managing funds raised and its financial records are subject to annual independent scrutiny.

We are also supported by a number of other local charities on a regular basis. However, The Eden Academy does not employ professional fundraisers to seek funds on its behalf.

**STRATEGIC REPORT** (continued)

**Streamlined Energy and Carbon Reporting**

The Academy Trust provides the following information concerning its energy usage for the year ended 31 August 2020:

<b>UK greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020</b>	
Energy consumption used to calculate emissions (kWh)	<b>2,893,661</b>
<u>Scope 1 emissions in metric tonnes CO2e</u> <ul style="list-style-type: none"> <li>Gas consumption</li> <li>Owned transport – mini-buses</li> </ul> Total scope 1	397 7,404 <b>7,801</b>
<u>Scope 2 emissions in metric tonnes CO2e</u>  Purchased electricity	  260
<u>Scope 3 emissions in metric tonnes CO2e</u>  Business travel in employee owned vehicles	  9
Total gross emissions in metric tonnes CO2e	<b>8,070</b>
<u>Intensity ratio</u>  Tonnes CO2e per pupil	  <b>1.00</b>
<p>Quantification and Reporting Methodology:  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.</p> <p>Intensity measurement:  The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.</p> <p>Measures taken to improve energy efficiency:</p> <ul style="list-style-type: none"> <li>Staff are reminded to switch off lights when vacating rooms;</li> <li>We have an ongoing programme to upgrade lighting from traditional mediums to energy efficient LED bulbs</li> <li>New doors and windows with improved insulation efficiency were installed at one of our schools</li> <li>The roof was replaced at four schools providing better insulation.</li> </ul>	

## **STRATEGIC REPORT (continued)**

### **Principal risks and uncertainties**

#### ***Funding***

The current continued review of funding for schools by government is posing uncertainty for the Academy Trust with regards to the levels of funding for the future. Along with the continued pressure on Local Authority budgets, this poses a risk on the availability of funding for the significant needs of our pupils. This is managed through tight policies, continued review of performance and a continued focus on future opportunities including collaborative working with local schools and Local Authorities.

The Academy Trust is in active negotiations with:

- ◆ Harrow Council regarding the top up funding for the next three year period;
- ◆ Hillingdon Council on the principle of using a banded funded model;
- ◆ Cumbria County Council on the lack of review of top up funding over the last 10 years; and
- ◆ Northumberland County Council on the lack of a review of top up fees for the last eight years.

#### ***Competitors***

The schools within The Eden Academy have a good reputation and are currently close to or over capacity. There are no significant competitors within the local area at the moment. Risks from competitors have been significantly reduced by the Trust's successful bid to open two new free schools. The Eden Academy's specialism with pupils with severe and moderate learning difficulties means it does not compete directly with mainstream schools.

#### ***Free Schools Project***

The Free Schools Project presents an opportunity and a risk for the Academy Trust. The project has been approved by the DfE and the timings of the two builds are currently being negotiated. The Finance Committee and the Board are fully aware of the risks and these are also detailed in The Eden Academy's Risk Register.

#### ***Covid-19 virus***

The Board is aware of the risks to the organisation from Covid-19 and these are detailed in a separate Covid-19 risk register. Financial uncertainties as a result of Covid-19 are centred on two key areas. Firstly, the increased cost of additional on-going cleaning and secondly the cost of staffing cover in instances where staff are unable to attend the school site and replacement staff are needed. The impact of these costs may likely affect the 2020/21 academic year. The budget for 2020/21 is being monitored for each school together with the impact on cashflow and reserves. Any impact to the 2019/20 academic year has been absorbed in the 2019/20 budget.

## **The Eden Academy**

**Directors' Report (incorporating Strategic report) (continued) Year ended 31 August 2020**

### **PLANS FOR FUTURE PERIODS**

In 2016/17 the Academy Trust was successful with two free school bids to the Department of Education. We are continuing to work on these exciting and complex plans. The original plans were to open the two new schools in 2020/21. The opening dates are yet to be confirmed but this is now likely to be 2022 for the first of the two schools.

In 2018/19, the Trustees updated their overarching strategic plan for the Academy Trust by articulating their vision and priorities for 2018-22. The implementation of this strategic plan was impacted by Covid-19. Work will recommence on this in the new academic year. These will focus on:

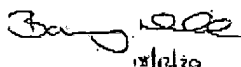
- ◆ Preparing young people for life after school;
- ◆ Creating and embedding effective communication systems and interactions between the Northern and Southern Hubs of The Eden Academy;
- ◆ Creating further opportunities for cross school collaboration including additional opportunities for middle leaders; and
- ◆ Further develop research as a core part of our work to improve practice and enable evidence based decision making.

### **AUDITOR**

In so far as the Directors are aware:

- ◆ there is no relevant audit information of which the Academy Trust's auditor is unaware; and
- ◆ the Directors 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.

The Directors' report, incorporating a strategic report, was approved by order of the members of the Board of Directors and signed on its behalf by:



A handwritten signature in black ink, appearing to read 'B. Nolan', with a date '18/12/20' written below it.

B Nolan  
Chair of Directors

Date: 18 December 2020

**The Eden Academy**  
**Governance Statement** Year ended 31 August 2020

**Scope of responsibility**

As Directors, we acknowledge we have overall responsibility for ensuring that The Eden Academy ('the Academy Trust' or 'the 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 Directors have delegated the day-to-day responsibility to the Chief Executive Officer (CEO), 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 the Academy Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

**Governance**

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

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

<b>Directors</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Barry Nolan (Chair)	6	7
James Clarke (Deputy Chair)	5	7
Hardip Begol	0	0
Mary Canavan	4	4
Victoria Collis	7	7
Karen Deacon	5	7
Susan Douglas	7	7
Brian Eaton	7	7
Mariangela Ladu	4	4
Helen Milner	7	7
Mirvette Russo	4	4
Angela St John	7	7
Collette Stone	6	7

**Governance reviews**

In September 2018 the Trust engaged a National Leader of Governance to undertake a review of governance which found that the structure of The Eden Academy was robust and fit for purpose. A number of changes have since been made which are detailed below:

- ♦ In line with the re-structuring of the Senior Leadership Team, the CEO continued as a Trustee, representing the Senior Leadership Team on the Board through to the end of the 2019-20 academic year.

## **The Eden Academy**

### **Governance Statement** (continued) Year ended 31 August 2020

#### **Governance reviews** (continued)

- ◆ In September 2019, Hardip Begol stepped down as a Director but remains Chair of the Board of Members. This resulted in a reduction of the number of Members who are also Directors to 20%.
- ◆ In February 2020, three further Directors were recruited to the Board of Trustees with expertise in HR, operational and project management.
- ◆ The CEO stepped down from her role as Director with effect from 1 September 2020 and will in the future act in an ex-officio capacity to the Board.

#### **Finance Committee**

The Finance Committee is a sub-committee of the main Board of Directors.

A detailed set of accountabilities and responsibilities across The Eden Academy is contained within the Scheme of Delegation. The Finance Committee normally meets six times during the course of the academic year to oversee the following:

#### *Financial management strategy*

- ◆ establish and maintain an up-to-date three-year strategic financial plan;
- ◆ maintain an oversight of the long term financial health of the Academy Trust, including risk management and escalation to the Board of Trustees as appropriate;
- ◆ consider the levels of top up fee charged across the Academy Trust;
- ◆ consider a medium term plan report annually to inform the recovery of deficits, if applicable;
- ◆ review benchmarking data on an annual basis to secure best value for money; and
- ◆ to consider the investment and reserves strategy.

#### *Budget and operational issues*

- ◆ recommend to the Board of Directors, the first formal budget plan of the financial year, carry out revisions and monitor the budget;
- ◆ consider a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Board of Directors;
- ◆ make decisions in respect of service agreements, contracts and insurance (buildings and public liability);
- ◆ make decisions on expenditure following recommendations from other committees (e.g. Remuneration Committee); and
- ◆ be responsible, in conjunction with the Board of Directors, for determining dismissal payments/early retirement.

**The Eden Academy**  
**Governance Statement** (continued) Year ended 31 August 2020

**Finance Committee** (continued)

*Compliance*

- ◆ ensure the Academy Trust is operating within its funding agreement;
- ◆ review and agree policies relating to finance as delegated by the Board of Directors e.g. Finance Policy, Record of Financial Responsibility including levels of delegation;
- ◆ approve Audit Committee arrangements including the Statement of Internal Control;
- ◆ receive reports from the Audit Committee and action where necessary; and
- ◆ review and approve the charges and remissions policies, expenses policies and best value statement.

Attendance at meetings in the year was as follows:

Committee Members	Status	Meetings attended	Out of a possible
James Clarke (Chair)	Director	7	7
Brian Eaton	Director	3	3
Victoria Collis	Director	3	4
Susan Douglas	Director and CEO	6	7
Rod Jones	LAB member (Hexham Priory)	6	7
Rebecca Murphy	LAB member (Grangewood)	5	6
Barry Nolan	Director	7	7
Rashmi Patel	LAB member (Pentland Field)	6	7

**Audit Committee**

The Audit Committee is a sub-committee of the main Board of Directors. Its responsibilities comprise:

*Regularity*

- ◆ Ensuring Academy Trust wide visibility of financial regulations and procedures e.g. the 'Academies Financial Handbook' releases.
- ◆ Advising the Board of Directors on the effectiveness of the whole system of internal control, not just financial controls.
- ◆ Oversight of the controls surrounding IT systems. Those controls to include such things as:
  - Appropriate access to data entry, data authorisation, and data reporting;
  - Appropriate risk management of IT - backup and disaster recovery; and
  - Appropriate data protection procedures.
- ◆ Intervene if there are signs that something may be seriously amiss, in particular in connection with explanations given by auditors and management. Commissioning investigations and seeking professional advice as considered necessary.



**The Eden Academy**  
**Governance Statement** (continued) Year ended 31 August 2020

**Audit Committee** (continued)

*Regularity (continued)*

- ◆ Commissioning investigations of potential instances of fraud or irregularity or cases of whistle blowing.

*External audit*

- ◆ Advising on the appointment and remuneration of external auditors.
- ◆ Oversight of the audit plan.
- ◆ Ongoing monitoring / ensuring audit deadlines are met.
- ◆ Advising the Board of Directors on the external audit findings reports and management letters.

*Internal audit*

- ◆ Advising on the scope of work and objectives of internal audit.
- ◆ Advising on the appointment and remuneration of internal audit.
- ◆ Oversight of internal audit plans and audit needs assessments, relating this to the risks identified.
- ◆ Ensuring co-ordination between the internal audit service and external auditors.
- ◆ Advising on internal audit assignment reports and annual opinions.
- ◆ Monitoring implementation of recommendations in audit reports and management letters.

*Risk registers*

- ◆ Assisting the management team in developing the school level and consolidated risk registers and action plan reporting.
- ◆ Initial questioning against the risk registers so produced.
- ◆ Ensuring adequate escalation to the Board of Directors for further scrutiny and action.

*Other*

- ◆ Reporting regularly to the Board of Directors on the work of the Audit Committee.
- ◆ Addressing any freedom of information requests and management responses and advise on content as necessary to ensure these are full and compliant.

**The Eden Academy**  
**Governance Statement** (continued) Year ended 31 August 2020

**Audit Committee** (continued)

Attendance at meetings in the year was as follows:

<b>Committee Members</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mark Lemon (Chair)	3	3
Brian Eaton (Interim Chair)	2	2
Martin Hand	5	5
Gill Kennedy	3	5

**Review of value for money**

As Accounting Officer, the CEO 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 the academic year, and reports to the Board of Directors where value for money can be improved, including the use on benchmarking data where available. The Accounting Officer for the Academy Trust has delivered and improved value for money during the year by:

- ◆ Ensuring that all works are tendered in line with procurement rules.
- ◆ Continuing to review contracts and renegotiating on a cross school basis including:
  - ◆ Utilities;
  - ◆ Grounds maintenance;
  - ◆ Health and Safety support;
  - ◆ Provision of IT support; and
  - ◆ Use of agency staff.

The DfE has stated that all schools will continue to receive their core funding as determined through the general annual grant for academies for the 2020/21 financial year regardless of any further periods of closure or reduced operation.

On that basis the Eden Academy has continued to pay its suppliers in line with Procurement Policy Note 04/20. There have been no instances where The Eden Academy has reduced payments to suppliers with whom we have a contract. There have been two instances of reduced service where payments have been made – Pentland Field grounds maintenance and agency supply staff. In both cases payments continued to suppliers.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's 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 at the Academy Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Directors 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 Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 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 Directors.

**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:

- ◆ delegation of authority and segregation of duties;
- ◆ setting targets to measure financial and other performance;
- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- ◆ regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ identification and management of risks; and
- ◆ maintaining an asset register.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Directors have appointed a non-remunerated Director and a non-remunerated Local Advisory Board member, to carry out a programme of internal checks. The reviewers' role includes performing a range of checks on the Academy Trust's financial systems and reporting to the Audit Committee on the same.

**The Eden Academy**  
**Governance Statement** (continued) Year ended 31 August 2020

**The risk and control framework** (continued)

In 2019/20, the work covered the following areas:

- ◆ For the Southern Hub: governance, risk management, and budgetary control;
- ◆ For the Northern Hub: governance, risk management, and procurement (including supplier contract letters)

The planned internal assurance work was scheduled to cover three terms. Despite the disruption caused by Covid-19, visits for two terms were successfully completed. Reports have been issued and various recommendations were made, but none were of a fundamental nature.

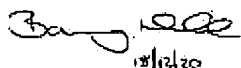
**Review of effectiveness**

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

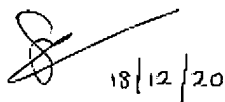
- ◆ reviews of internal controls review work carried out by non-remunerated Director and non-remunerated Local Advisory Board member;
- ◆ the work of the External Auditor; and
- ◆ the work of the Senior Leadership Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

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

  
18/12/20

B Nolan  
Chair of Directors

  
18/12/20

S Douglas  
Accounting Officer

Date: 18 December 2020


**The Eden Academy**

**Statement on Regularity, Propriety and Compliance Year ended 31 August 2020**

As Accounting Officer of The Eden Academy ('the Academy Trust'), I have considered my responsibility to notify the Academy Trust Board of Directors and the Education and Skills Funding Agency (ESFA) 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. 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 Directors 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 Directors and ESFA.



18/12/20

S Douglas  
Accounting Officer

Date: 18 December 2020

## **The Eden Academy**

### **Statement of Directors' Responsibilities Year ended 31 August 2020**

The Directors (who act as Trustees of The Eden Academy ('the Academy Trust') for the purposes of charity law and are also the Directors of the Academy Trust for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency (ESFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Academy Trust and of its income and expenditure for that period. In preparing these financial statements, the Directors are required to:

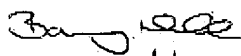
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP FRS102 and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors are responsible for the maintenance and integrity of the charity and financial information included on the Academy Trust'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 Directors and signed on its behalf by:

  
18/12/20

B Nolan  
Chair of Directors

Date: 18 December 2020

**The Eden Academy**  
**Independent Auditor's Report** Year ended 31 August 2020

**Independent auditor's report on the financial statements to the Members of The Eden Academy**

**Opinion**

We have audited the financial statements of The Eden Academy (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP FRS102) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP FRS102 and Academies Accounts Direction 2019 to 2020.

**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 charitable company 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

**The Eden Academy**  
**Independent Auditor's Report** (continued) Year ended 31 August 2020

**Conclusions relating to going concern** (continued)

- ◆ the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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 Directors' report which is also the trustees' report for the purposes of charity 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 Directors' report which is also the trustees' report for the purposes of charity 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report including the strategic report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or



**The Eden Academy**  
**Independent Auditor's Report** (continued) Year ended 31 August 2020

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

- ◆ certain disclosures of Directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

**Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities, the Directors (who are also the trustees for the purposes of charity 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 Directors 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 Directors are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



23 December 2020

Katharine Patel (Senior Statutory Auditor)  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

**The Eden Academy**  
**Independent Accountant's Report Year ended 31 August 2020**

**Independent accountant's report on regularity to The Eden Academy and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 13 July 2018 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 The Eden Academy ("the Academy Trust") during the period from 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 The Eden Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Eden Academy and the 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 The Eden Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Eden Academy's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of The Eden Academy's funding agreement with the Secretary of State for Education dated 30 May 2012 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 from 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 the 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.

**The Eden Academy**  
**Independent Accountant's Report** (continued) Year ended 31 August 2020

**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:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

**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 from 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.



23 December 2020

Buzzacott LLP  
Reporting Accountants  
130 Wood Street  
London  
EC2V 6DL

**The Eden Academy**  
**Statement of Financial Activities**  
(including income and expenditure account): Year ended 31 August 2020

	Notes	Unrestricted general fund £000	Restricted general fund £000	Restricted fixed assets fund £000	31 August 2020 £000	31 August 2019 £000
<b>Income from:</b>						
Donations and capital grants	1	76	—	309	385	727
Transfer on conversion	19	—	—	—	—	9,788
Charitable activities						
Funding for the Academy Trust's educational operations	3	78	18,777	—	18,855	18,184
Other trading activities	2	585	—	—	585	675
Interest receivable		2	—	—	2	2
<b>Total income</b>		<b>741</b>	<b>18,777</b>	<b>309</b>	<b>19,827</b>	<b>29,376</b>
<b>Expenditure</b>						
Charitable activities						
Academy Trust's educational operations	5	—	20,915	765	21,680	20,862
<b>Total expenditure</b>	4	<b>—</b>	<b>20,915</b>	<b>765</b>	<b>21,680</b>	<b>20,862</b>
<b>Net (expenditure)/income before transfers</b>		<b>741</b>	<b>(2,138)</b>	<b>(456)</b>	<b>(1,853)</b>	<b>8,514</b>
<b>Transfers between funds</b>	12	<b>—</b>	<b>(17)</b>	<b>17</b>	<b>—</b>	<b>—</b>
<b>Net (expenditure)/income for the year</b>		<b>741</b>	<b>(2,155)</b>	<b>(439)</b>	<b>(1,853)</b>	<b>8,514</b>
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension schemes	15	—	(1,043)	—	(1,043)	(4,655)
<b>Net movement in funds</b>		<b>741</b>	<b>(3,198)</b>	<b>(439)</b>	<b>(2,896)</b>	<b>3,859</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September		645	(12,461)	30,314	18,498	14,639
<b>Total fund balances carried forward at 31 August</b>		<b>1,386</b>	<b>(15,659)</b>	<b>29,875</b>	<b>15,602</b>	<b>18,498</b>

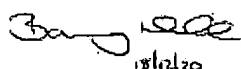
All of the Academy Trust's activities derived from continuing operations during the above two financial periods.

The Academy Trust has no recognised gains or losses other than those shown above.

**The Eden Academy**  
**Balance Sheet** 31 August 2020

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
<b>Fixed assets</b>					
Tangible fixed assets	9		29,442		29,961
<b>Current assets</b>					
Debtors	10	300		345	
Cash at bank and in hand		3,836		4,037	
		4,136		4,382	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	(529)		(1,368)	
<b>Net current assets</b>			3,607		3,014
<b>Net assets excluding pension scheme liability</b>			33,049		32,975
Defined benefit pension scheme liability	15		(17,447)		(14,477)
<b>Total net assets</b>			15,602		18,498
<b>Restricted funds</b>					
Fixed assets fund	12		29,875		30,314
Restricted income fund	12		1,788		2,016
Pension reserve	12		(17,447)		(14,477)
<b>Total restricted funds</b>			14,216		17,853
<b>Unrestricted funds</b>					
General fund	12		1,386		645
<b>Total funds</b>			15,602		18,498

The financial statements on pages 35 to 61 were approved by the Directors, and authorised for issue and are signed on their behalf by:

  
18/12/20

B Nolan  
Chair of Directors

Date: 18 December 2020

The Eden Academy  
Company Limited by Guarantee  
Registration Number: 08036395 (England and Wales)

**The Eden Academy**  
**Statement of Cash Flows** Year ended 31 August 2020

		2020 £'000	2019 £'000
<b>Net cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	A	(266)	1,338
<b>Cash flows from investing activities</b>			
	B	65	144
<b>Change in cash and cash equivalents in the year</b>		<b>(201)</b>	<b>1,482</b>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September		4,037	2,555
<b>Cash and cash equivalents at 31 August</b>		<b>3,836</b>	<b>4,037</b>
<b>A Reconciliation of income to net cash flow from operating activities</b>			
		2020 £'000	2019 £'000
<b>Net (expenditure)/income for the year (as per the statement of financial activities)</b>		<b>(1,853)</b>	<b>8,514</b>
<b>Adjusted for:</b>			
Depreciation charges (note 9)		765	750
Tangible fixed assets inherited on conversion (note 19)		—	(12,830)
Capital grants from DfE and other capital income (note 1)		(309)	(603)
Defined benefit pension scheme liability inherited on conversions (note 19)		—	3,159
Defined benefit pension scheme service cost adjustment (note 15)		1,647	1,187
Defined benefit pension scheme finance cost adjustment (note 15)		280	247
Investment income receivable		(2)	(2)
Decrease/(Increase) in debtors		45	(63)
(Decrease)/Increase in creditors		(839)	979
<b>Net cash (used in)/provided by operating activities</b>		<b>(266)</b>	<b>1,338</b>
<b>B Cash flows from investing activities</b>			
		2020 £'000	2019 £'000
Bank interest received		2	2
Purchase of tangible fixed assets		(246)	(461)
Capital grants from DfE/ESFA		309	603
<b>Net cash provided by investing activities</b>		<b>65</b>	<b>144</b>
<b>C Analysis of cash and cash equivalents</b>			
		2020 £'000	2019 £'000
Cash at bank and in hand		3,836	4,037
<b>Total cash and cash equivalents</b>		<b>3,836</b>	<b>4,037</b>

The Academy Trust held no debt finance at either the start or the end of the financial year and did not enter into any transactions relating to debt finance during the year ended 31 August 2020.

**The Eden Academy**  
**Principal Accounting Policies** Year ended 31 August 2020

A summary of the principal accounting policies adopted (which have been applied consistently), judgements and key sources of estimation uncertainty, are set out below.

**Basis of preparation**

The financial statements of The Eden Academy ("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.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

**Going Concern**

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

In forming this assessment, the Directors have considered the impact of the current Coronavirus pandemic on the Academy Trust, with a particular focus on its effect on the Academy Trust's financial position including its income, expenditure and reserves; its beneficiaries, and its employees. Whilst the Directors acknowledge the disruption caused by the pandemic to the Academy Trust's day-to-day operations, they do not consider this to be cause for material uncertainty in respect of the Academy Trust's ability to continue as a going concern.

**Income**

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

**Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet.

**The Eden Academy**  
**Principal Accounting Policies** Year ended 31 August 2020

**Income** (continued)

**Grants** (continued)

Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

**Donations**

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

Where assets and liabilities are inherited by the Academy Trust upon schools joining the Academy Trust, the net assets inherited are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income to the net assets received.

**Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.



**The Eden Academy**  
**Principal Accounting Policies** (continued) Year ended 31 August 2020

**Expenditure** (continued)

**Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities. All expenditure is inclusive of any irrecoverable VAT.

**Tangible fixed assets**

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Tangible fixed assets donated to, or inherited by, the Academy Trust are recognised at the asset's fair value at the point at which the risks and rewards of owning the asset transferred to the Academy Trust – this value is then subsequently deemed to be equal to the historic cost of the asset for accounting purposes.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

♦ Freehold buildings	50 years
♦ Long leasehold buildings	45 years
♦ Furniture and equipment	4 years
♦ Computer equipment	4 years
♦ Motor vehicles	4 years

Depreciation is charged from the month of acquisition.

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

**Debtors**

Debtors were recognised at their settlement amount, less any provision for non-recoverability. Prepayments were valued at the amount prepaid.

**The Eden Academy**  
**Principal Accounting Policies (continued) Year ended 31 August 2020**

**Cash at bank and in hand**

Cash at bank and in hand represented such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

**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.

**Leased assets**

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

**Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**The Eden Academy**  
**Principal Accounting Policies** (continued) Year ended 31 August 2020

**Pensions benefits**

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

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 benefit method. The TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised in the period to which they relate.

The LGPS are funded schemes 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other 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 Directors.

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.

**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:

**The Eden Academy**  
**Principal Accounting Policies** (continued) Year ended 31 August 2020

**Critical accounting estimates and areas of judgement** (continued)

- ◆ The present value of the Local Government Pension Scheme defined benefit liabilities 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 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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; and
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation.

***Critical areas of judgement***

Other than the estimates discussed above, the Trustees do not consider that there are any key judgements made in the preparation of the financial statements.

**The Eden Academy**  
**Notes to the Financial Statements** Year ended 31 August 2020

**1 Donations and capital grants**

	Unrestricted funds £'000	Restricted fixed assets funds £'000	<b>2020 Total funds £'000</b>	2019 Total funds £'000
Capital grants	—	309	<b>309</b>	603
Other donations	76	—	<b>76</b>	124
	<b>76</b>	<b>309</b>	<b>385</b>	<b>727</b>

	Unrestricted funds £000	Restricted fixed assets funds £000	2019 Total funds £000
Capital grants	—	603	603
Other donations	124	—	124
	<b>124</b>	<b>603</b>	<b>727</b>

**2 Other trading activities**

	Unrestricted funds	
	<b>2020 Total funds £000</b>	2019 Total funds £000
Hire of facilities	<b>82</b>	84
Trip income	<b>18</b>	5
Catering income	<b>56</b>	74
RNIB Sunshine House recharges	<b>265</b>	214
Miscellaneous income	<b>164</b>	298
	<b>585</b>	<b>675</b>

Hire of facilities predominantly comprises rent receivable from Growing Trees Nurseries, an independent children's nursery, in both the current and prior year.

**The Eden Academy**  
**Notes to the Financial Statements** (continued) Year ended 31 August 2020

**3 Funding for Academy Trust's educational operations**

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
<b>DfE/ESFA grants</b>				
. General Annual Grant (GAG)	—	6,840	<b>6,840</b>	6,579
. Other DfE / ESFA grants	—	780	<b>780</b>	476
		7,620	<b>7,620</b>	7,055
<b>Other Government grants</b>				
. Local authority grants	—	11,157	<b>11,157</b>	11,037
<b>Other income from educational operations</b>	78	—	<b>78</b>	92
	<b>78</b>	<b>18,777</b>	<b>18,855</b>	<b>18,184</b>

	Unrestricted funds £000	Restricted general funds £000	2019 Total funds £000
<b>DfE/ESFA grants</b>			
. General Annual Grant (GAG)	—	6,579	6,579
. Other DfE / ESFA	—	476	476
	—	7,055	7,055
<b>Other Government grants</b>			
. Local authority grants	—	11,037	11,037
<b>Other income from educational operations</b>	92	—	92
	<b>92</b>	<b>18,092</b>	<b>18,184</b>

**The Eden Academy**  
**Notes to the Financial Statements** (continued) Year ended 31 August 2020

**4 Expenditure**

	Staff costs (note 6) £'000	Non pay expenditure		<b>2020 Total £'000</b>	2019 Total £'000
		Premises £'000	Other costs £'000		
Academy Trust's educational operations					
. Direct costs	14,590	—	493	<b>15,083</b>	14,465
. Allocated administrative support costs	3,822	855	1,920	<b>6,597</b>	6,397
	<b>18,412</b>	<b>855</b>	<b>2,413</b>	<b>21,680</b>	20,862

	Staff costs (note 6) £'000	Non pay expenditure		2019 Total £'000
		Premises £'000	Other costs £'000	
Academy Trust's educational operations				
. Direct costs	13,768	—	697	14,465
. Allocated administrative support costs	3,340	1,025	2,032	6,397
	<b>17,108</b>	<b>1,025</b>	<b>2,729</b>	20,862

Allocated administrative support costs comprises expenditure that is not directly attributable to the educational operations of the Academy Trust including finance, HR, administration and student support.

	<b>2020 Total £'000</b>	2019 Total £'000
<b>Net (expenditure)/income for the year includes:</b>		
Depreciation	<b>765</b>	750
Fees payable to auditor		
. Statutory audit	<b>29</b>	28
. Other services	<b>6</b>	8

**The Eden Academy**  
**Notes to the Financial Statements** (continued) Year ended 31 August 2020

**5 Charitable activities**

	<b>2020 Total £000</b>	<b>2019 Total £000</b>
Direct costs (educational operations)	<b>15,083</b>	14,465
Support costs (administrative)	<b>6,597</b>	6,397
	<b>21,680</b>	20,862
	<b>2020 Total £000</b>	<b>2019 Total £000</b>
Support staff costs (administrative)*	<b>3,822</b>	3,587
Depreciation	<b>765</b>	750
Technology costs	<b>33</b>	13
Premises costs	<b>855</b>	1,025
Other support costs	<b>652</b>	429
Governance costs	<b>470</b>	593
<b>Total support costs</b>	<b>6,597</b>	6,397

\* Support staff costs includes service and finance cost adjustments made in respect of defined benefit pension schemes totalling £1,927,000 (2019: £1,434,000).

**6 Staff**

**(a) Staff costs**

Staff costs during the year were:

	<b>2020 Total £000</b>	<b>2019 Total £000</b>
Wages and salaries	<b>11,820</b>	11,185
Social security costs	<b>1,000</b>	951
Pension costs		
Employer contributions payable	<b>2,424</b>	2,021
Service cost adjustment in respect of defined benefit schemes	<b>1,647</b>	1,187
Apprenticeship levy	<b>50</b>	49
	<b>16,941</b>	15,393
Supply staff costs	<b>1,471</b>	1,715
	<b>18,412</b>	17,108

No staff severance payment was made during the year to 31 August 2020 (2019 – none).



**The Eden Academy**  
**Notes to the Financial Statements** (continued) Year ended 31 August 2020

**6 Staff** (continued)

**(b) Staff numbers**

The average numbers of persons (including the Senior Leadership Team) employed by the Academy Trust during the year was as follows:

Charitable activities	2020 No.	2019 No.
Teachers and educational support	486	474
Administration	34	32
Management	34	34
	<b>554</b>	<b>540</b>

**(c) Higher paid staff**

The number of employees whose emoluments, excluding employer pension contributions, fell within the following bands was:

	2020 No.	2019 No.
£60,001 - £70,000	4	4
£70,001 - £80,000	3	3
£80,001 - £90,000	2	2
£90,001 - £100,000	—	1
£100,001 - £110,000	1	—

**(d) Key management personnel**

The key management personnel of the Academy Trust comprise the Directors and the Senior Leadership Team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer's social security cost) payable in respect of key management personnel for their services to the Academy Trust was £1,009,111 (2019 - £1,060,949).

**7 Directors' remuneration and expenses**

The CEO is a Director and is remunerated in respect of services provided undertaking the role of CEO and not in respect of her services as Director. Other Directors do not receive any payments other than the reimbursement of out-of-pocket expenses incurred in connection with their duties as Directors (see below). The value of Directors' remuneration and other benefits was as follows:

	2020 £000	2019 £000
Susan Douglas, CEO		
• Remuneration	100-105	80 – 85
• Employer's pension contributions	15 - 20	15 – 20

Two Directors claimed expenses for travel and subsistence totalling £746 during the year (2019 – £927 for four Directors).

## The Eden Academy

### Notes to the Financial Statements (continued) Year ended 31 August 2020

#### 8 Central services

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

- ♦ Human resources;
- ♦ Financial services;
- ♦ Legal services;
- ♦ Educational support services;
- ♦ IT services; and
- ♦ Provision of careers support for students aged 16 and over.

The Academy Trust charges for these services at between 5.75% and 6.00% of income (2019 – between 5.75% and 6.00% of income) for the schools in the south, and at 2.40% of income (2019 –2.40% of income) for the schools in the north.

The actual amounts charged during the year were as follows:

	2020 £000	2019 £000
Alexandra School	114	112
Grangewood School	228	216
Hexham Priory School	69	50
James Rennie School	81	59
Moorcroft School	171	146
Pentland Field School	268	263
	<b>931</b>	<b>846</b>

#### 9 Tangible fixed assets

	Freehold land and buildings £'000	Lease- hold land and buildings £000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £000	Total funds £000
<b>Cost</b>						
At 1 September 2019	7,670	24,795	121	155	118	<b>32,859</b>
Additions	—	183	3	10	50	<b>246</b>
At 31 August 2020	<b>7,670</b>	<b>24,978</b>	<b>124</b>	<b>165</b>	<b>168</b>	<b>33,105</b>
<b>Depreciation</b>						
At 1 September 2019	629	1,938	104	110	117	<b>2,898</b>
Charge in year	153	555	7	37	13	<b>765</b>
At 31 August 2020	<b>782</b>	<b>2,493</b>	<b>111</b>	<b>147</b>	<b>130</b>	<b>3,663</b>
<b>Net book value</b>						
At 31 August 2020	<b>6,888</b>	<b>22,485</b>	<b>13</b>	<b>18</b>	<b>38</b>	<b>29,442</b>
At 31 August 2019	<b>7,041</b>	<b>22,857</b>	<b>17</b>	<b>45</b>	<b>1</b>	<b>29,961</b>

**The Eden Academy****Notes to the Financial Statements (continued) Year ended 31 August 2020****9 Tangible fixed assets (continued)**

The Secretary of State for Defence and the Secretary of State for Education hold legal charges over property with a value of £2.5 million.

At 31 August 2020, the Academy Trust had capital commitments totalling £388,000 (2019 - £73,868) in respect of amounts contractually agreed, but not yet delivered to the Academy Trust by the balance sheet date.

**10 Debtors**

	2020 £000	2019 £000
Trade debtors	149	60
VAT recoverable	75	158
Prepayments and accrued income	76	127
	<b>300</b>	<b>345</b>

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

	2020 £000	2019 £000
Taxation and social security	235	237
Other creditors	168	15
Accruals and deferred income	126	1,116
	<b>529</b>	<b>1,368</b>
<b>Deferred income</b>		
Deferred income at 1 September 2019	1,087	—
Released during the year	(1,087)	—
Resources deferred in the year	—	1,087
Deferred income at 31 August 2020	—	1,087

Deferred income included on the balance sheet as at 31 August 2019 in the main included top-up fees received in advance from Cumbria County Council (£936,000) and Northumberland County Council (£80,000) as well as smaller items of income received for application in future years. There were no similar items as at 31 August 2020.

**The Eden Academy**  
**Notes to the Financial Statements (continued) Year ended 31 August 2020**

**12 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>					
DfE / ESFA grants					
. General Annual Grant (GAG)	352	6,840	(7,051)	(17)	124
. Pupil Premium	—	248	(248)	—	—
Local authority income and other grants	1,664	11,689	(11,689)	—	1,664
Pension reserve	(14,477)	—	(1,927)	(1,043)	(17,447)
	(12,461)	18,777	(20,915)	(1060)	(15,659)
<b>Restricted fixed asset funds</b>					
. Transfer on conversion	12,795	—	(407)	—	12,388
. DfE/ESFA capital grants	17,519	309	(358)	17	17,487
	30,314	309	(765)	17	29,875
<b>Total restricted funds</b>	17,853	19,086	(21,680)	(1,043)	14,216
<b>Unrestricted funds</b>					
. General funds	645	741	—	—	1,386
<b>Total unrestricted funds</b>	645	741	—	—	1,386
<b>Total funds</b>	18,498	19,827	(21,680)	(1,043)	15,602

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

**ESFA revenue grant fund and other restricted funds**

*General Annual Grant (GAG)*

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

*Fixed assets fund*

These grants relate to funding received to purchase assets of a capital nature and buildings inherited on conversion. Transfers to the fixed asset funds from other revenue reserves are made when revenue reserves are used to fund tangible fixed assets.

*Pension reserve*

The pension reserve relates to the Academy Trust's share of the deficit of the Local Government Pension schemes.

**The Eden Academy**  
**Notes to the Financial Statements** (continued) Year ended 31 August 2020

**12 Funds (continued)**

**Analysis of fund balance by academy**

Fund balances at 31 August were allocated as follows:

	2020 £000	2019 £000
Alexandra School	358	943
Grangewood School	89	147
Hexham Priory School	318	160
James Rennie School	254	209
Moorcroft School	312	277
Pentland Field School	444	312
Central fund*	1,399	613
<b>Total before fixed assets and pension reserve</b>	<b>3,174</b>	<b>2,661</b>
Restricted fixed assets fund	29,875	30,314
Pension liability	(17,447)	(14,477)
<b>Total</b>	<b>15,602</b>	<b>18,498</b>

\* The central fund includes a sum of £650,000 ring-fenced for future capital projects.

**Analysis of academies by cost**

Expenditure incurred by each school and the central fund during the year (excluding £765,000 (2019 - £750,000) of depreciation) was as follows:

	Teaching and education support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	2020 Total £'000	2019 Total £'000
Alexandra School	1,339	334	50	184	1,907	1,847
Grangewood School	2,013	795	42	254	3,104	3,766
Hexham Priory School	1,639	468	85	229	2,421	2,248
James Rennie School	2,512	642	95	351	3,600	3,236
Moorcroft School	1,623	692	59	229	2,603	2,755
Pentland Field School	2,685	614	67	326	3,692	4,393
Central services	1,316	1,743	21	508	3,588	1,867
<b>Total net assets</b>	<b>13,127</b>	<b>5,288</b>	<b>419</b>	<b>2,081</b>	<b>20,915</b>	<b>20,112</b>

**The Eden Academy**  
**Notes to the Financial Statements (continued) Year ended 31 August 2020**

**12 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>					
DfE / ESFA grants					
. General Annual Grant (GAG)	—	6,579	(6,261)	34	352
. Pupil Premium	—	277	(277)	—	—
Local authority income and other grants	2,210	11,243	(11,789)	—	1,664
Pension reserve	(5,229)	(3,159)	(1,434)	(4,655)	(14,477)
	<u>(3,019)</u>	<u>14,940</u>	<u>(19,761)</u>	<u>(4,621)</u>	<u>(12,461)</u>
<b>Restricted fixed asset funds</b>					
. Transfer on conversion	—	12,837	(42)	—	12,795
. DfE/ESFA capital grants	17,658	603	(708)	(34)	17,519
	<u>17,658</u>	<u>13,440</u>	<u>(750)</u>	<u>(34)</u>	<u>30,314</u>
<b>Total restricted funds</b>	<u>14,639</u>	<u>28,380</u>	<u>(20,511)</u>	<u>(4,655)</u>	<u>17,853</u>
<b>Unrestricted funds</b>					
. General funds	—	996	(351)	—	645
<b>Total unrestricted funds</b>	<u>—</u>	<u>996</u>	<u>(351)</u>	<u>—</u>	<u>645</u>
<b>Total funds</b>	<u>14,639</u>	<u>29,376</u>	<u>(20,862)</u>	<u>(4,655)</u>	<u>18,498</u>

**13 Analysis of net assets between funds**

	Unrestricted funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total 2020 £000
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	—	—	29,442	29,442
Current assets	1,386	2,317	433	4,136
Current liabilities	—	(529)	—	(529)
Pension scheme liability	—	(17,447)	—	(17,447)
<b>Total net assets</b>	<u>1,386</u>	<u>(15,659)</u>	<u>29,875</u>	<u>15,602</u>

**The Eden Academy****Notes to the Financial Statements (continued) Year ended 31 August 2020****13 Analysis of net assets between funds (continued)**

	Unrestricted funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total 2019 £000
<i>Fund balances at 31 August 2019 are represented by:</i>				
<i>Tangible fixed assets</i>	—	—	29,961	29,961
<i>Current assets</i>	645	3,384	353	4,382
<i>Current liabilities</i>	—	(1,368)	—	(1,368)
<i>Pension scheme liability</i>	—	(14,477)	—	(14,477)
<i>Total net assets</i>	645	(12,461)	30,314	18,498

**14 Members' Liability**

Each Member of the Academy Trust 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.

**15 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. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £95,000 were payable to the schemes at 31 August 2020 (2019 - £nil)

***Teachers' Pension Scheme (TPS)***

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.

## **15 Pension and similar obligations (continued)**

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

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

- ♦ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ♦ the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The 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 £919,000 (2019 - £633,990).

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.

### ***Local Government Pension Scheme (LGPS)***

Each LGPS is a multi-employer funded defined benefit scheme, with the assets held in separate trustee-administered funds. The contributions made for the year ended 31 August 2020 (as referenced by the actuaries in determining their estimates) was £1,918,000 (2019 - £1,793,000), of which employer's contributions totalled £1,505,000 (2019 - £1,389,000) and employees' contributions totalled £413,000 (2019 - £404,000). The agreed contribution rates for future years are between 5.5% and 12.5% for employees and between 17.7% and 20.9% for employers.



**The Eden Academy****Notes to the Financial Statements** (continued) Year ended 31 August 2020**15 Pension and similar obligations** (continued)**Local Government Pension Scheme (LGPS)** (continued)

The funds that the Academy Trust is part of are: London Borough of Hillingdon Pension Fund (Grangewood School, Moorcroft School and Pentland Field School), London Borough of Harrow Pension Fund (Alexandra School), Northumberland County Council Pension Fund (Hexham Priory School) and Northumberland County Council Pension Fund (James Rennie School).

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.

The principal assumptions used in determining the valuations are provided below. The values provided are an average of the two schemes.

	At 31 August 2020	At 31 August 2019
<b>Principal actuarial assumptions</b>		
Rate of increase in salaries	2.5%	3.0%
Rate of increase for pensions in payment / inflation	2.9%	2.2%
Discount rate for scheme liabilities	1.7%	1.9%

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

	At 31 August 2020	At 31 August 2019
<b>Mortality assumptions</b>		
<i>Retiring today</i>		
Males	22.2	21.9
Females	24.8	24.1
<i>Retiring in 20 years</i>		
Males	23.6	23.1
Females	26.6	25.7

**The Eden Academy**  
**Notes to the Financial Statements** (continued) Year ended 31 August 2020

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

**Local Government Pension Scheme (LGPS)** (continued)

	At 31 August 2020 £'000	At 31 August 2019 £'000
<b>Sensitivity analysis – net increase in liability</b>		
0.5% decrease in real discount rate	4,659	4,084
0.5% increase in pension increase rate	1,582	806
0.5% increase in salary increase rate	3,248	3,274

The Academy Trust's share of the assets and liabilities in the scheme and the average expected rates of return across the schemes were:

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	7,493	7,106
Corporate bonds	4,099	4,112
Property	1,821	1,225
Cash and other liquid assets	1,194	1,136
Other	953	—
<b>Total market value of assets</b>	<b>15,560</b>	<b>13,579</b>

	2020 £'000	2019 £'000
<b>Amounts recognised in statement of financial activities</b>		
Current service cost (net of employee contributions)	3,090	2,153
Past service cost	52	423
Administration costs	10	—
Interest income	(272)	(328)
Interest cost	552	575
<b>Total operating charge</b>	<b>3,432</b>	<b>2,823</b>

**The Eden Academy**  
**Notes to the Financial Statements** (continued) Year ended 31 August 2020

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

**Local Government Pension Scheme (LGPS) (continued)**

Changes in the present value of defined benefit obligations were as follows:	2020 £'000	2019 £'000
At 1 September	28,056	13,548
Inherited on conversion (note 19)	—	5,964
Current service cost	3,090	2,153
Interest cost	552	575
Employee contributions	413	404
Actuarial loss	1,087	5,119
Past service cost	52	423
Benefits paid	(243)	(130)
<b>At 31 August</b>	<b>33,007</b>	<b>28,056</b>

Changes in the fair value of the Academy Trust's share of scheme assets:	2020 £000	2019 £000
At 1 September	13,579	8,319
Inherited on conversion (note 19)	—	2,805
Interest income	272	328
Actuarial gain	44	464
Admin expenses	(10)	—
Employer contributions	1,505	1,389
Employee contributions	413	404
Benefits paid	(243)	(130)
<b>At 31 August</b>	<b>15,560</b>	<b>13,579</b>

**16 Related party transactions**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Director has an interest. Where transactions involving such organisations take place, these are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Hilary McDermott (Senior Leadership Team until 31 August 2019) was a Trustee of The Friends of Grangewood, a separate UK registered charity (Registration Number 280621) which fundraises for the benefit of Grangewood School. During the year ended 31 August 2019, the charity donated £5,104 to The Eden Academy. There were no outstanding balances in relation to this as at 31 August 2019.

The spouse of the Head of School at Alexandra School is employed within the IT department. His earnings for the year were £6,632 (2019 - £6,501). The Governing Body interviewed for the role and decided on the hours and days worked (6 hours per week, 52 weeks per year). The Head of School at Alexandra declares an interest annually and includes her spouse in that declaration. In addition, at any business meeting where it might be relevant, the Head of School leaves the room when her spouse and his role are discussed.

**The Eden Academy**

**Notes to the Financial Statements (continued) Year ended 31 August 2020**

**16 Related party transactions (continued)**

Details of Directors' remuneration and expenses are provided at note 7.

The Academy Trust had no further related party transactions in the year.

**17 Post balance sheet events**

In 2016/17, the Secretary of State approved the establishment of Grand Union Village and Pinn River All-through Free School. Grand Union Village is anticipated to be constructed at an ESFA owned site, whilst the 180 place Pinn River All-through Free School is to be constructed at the existing Grangewood site. Once construction of Grand Union Village is completed, anticipated for 2022, a long-lease will be assigned to The Eden Academy for their occupation of the property. Existing Grangewood students will be temporarily relocated to Grand Union Village whilst the construction of Pinn River is undertaken. Construction of Pinn River is expected to be completed in 2023. The expected completion dates referenced above are subject to change due to the significant business disruption caused by the impact of the Covid-19 pandemic.

**The Eden Academy**

**Notes to the Financial Statements (continued) Year ended 31 August 2020**

**18 Comparative information**

Comparative information for the preceding year is as follows:

	Unrestricted general fund £000	Restricted general fund £000	Restricted fixed assets fund £000	31 August 2019 £000
<b>Income from:</b>				
Donations and capital grants	124	—	603	<b>727</b>
Transfer on conversion	103	(3,152)	12,837	<b>9,788</b>
Charitable activities				
Funding for the Academy Trust's educational operations	92	18,092	—	<b>18,184</b>
Other trading activities	675	—	—	<b>675</b>
Interest receivable	2	—	—	<b>2</b>
<b>Total income</b>	<b>996</b>	<b>14,940</b>	<b>13,440</b>	<b>29,376</b>
<b>Expenditure</b>				
Charitable activities				
Academy Trust's educational operations	351	19,761	750	<b>20,862</b>
<b>Total expenditure</b>	<b>351</b>	<b>19,761</b>	<b>750</b>	<b>20,862</b>
<b>Net income/(expenditure) before transfers</b>	<b>645</b>	<b>(4,821)</b>	<b>12,690</b>	<b>8,514</b>
<b>Transfers between funds</b>	<b>—</b>	<b>34</b>	<b>(34)</b>	<b>—</b>
<b>Net income/(expenditure) before gains and losses</b>	<b>645</b>	<b>(4,787)</b>	<b>12,656</b>	<b>8,514</b>
<b>Other recognised gains and losses</b>				
Actuarial losses on defined benefit pension schemes	—	(4,655)	—	<b>(4,655)</b>
<b>Net movement in funds</b>	<b>645</b>	<b>(9,442)</b>	<b>12,656</b>	<b>3,859</b>
<b>Reconciliation of funds</b>				
Total fund balances brought forward at 1 September 2018	—	(3,019)	17,658	<b>14,639</b>
<b>Total fund balances carried forward at 31 August 2019</b>	<b>645</b>	<b>(12,461)</b>	<b>30,314</b>	<b>18,498</b>

# **The Eden Academy**

## **Notes to the Financial Statements (continued) Year ended 31 August 2020**

### **19 Transfer from Local Authority on conversion**

During the year ended 31 August 2019, two academies joined The Eden Academy, James Rennie School in Cumbria and Hexham Priory School in Northumberland. At the date of joining the Academy Trust, the operations and assets and liabilities were transferred to The Eden Academy for £nil consideration. The transfer was accounted for as a combination that is in substance a gift. 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 income in the Statement of Financial Activities as voluntary income.

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

	Unrestricted funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total 2019 £000
<b>Combined position</b>				
Tangible fixed assets				
. Leasehold land and buildings	—	—	12,830	<b>12,830</b>
Cash	103	7	7	<b>117</b>
Pension scheme liability (note 15)	—	(3,159)	—	<b>(3,159)</b>
<b>Net assets/(liabilities)</b>	<b>103</b>	<b>(3,152)</b>	<b>12,837</b>	<b>9,788</b>

	Unrestricted funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total 2019 £000
<b>James Rennie School (converted 1 September 2019)</b>				
Tangible fixed assets				
. Leasehold land and buildings	—	—	5,475	<b>5,475</b>
Cash	78	—	—	<b>78</b>
Pension scheme liability (note 15)	—	(2,403)	—	<b>(2,403)</b>
<b>Net assets/(liabilities)</b>	<b>78</b>	<b>(2,403)</b>	<b>5,475</b>	<b>3,150</b>

	Unrestricted funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total 2019 £000
<b>Hexham Priory School (Converted 1 September 2019)</b>				
Tangible fixed assets				
. Leasehold land and buildings	—	—	7,355	<b>7,355</b>
Cash	25	7	7	<b>39</b>
Pension scheme liability (note 15)	—	(756)	—	<b>(756)</b>
<b>Net assets/(liabilities)</b>	<b>25</b>	<b>(749)</b>	<b>7,362</b>	<b>6,638</b>