

The Eden Academy

Annual Report and Financial Statements

For the year ended 31 August 2018

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

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The Eden Academy
Reference and Administrative Information

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The Eden Academy
Reference and Administrative Information

Members

Hardip Begol (Chair)
 Karen Deacon (resigned 5 October 2017)
 Judith Hemery Howick (appointed 1 September 2017)
 Mark Lemon (appointed 5 October 2017)
 Barry Nolan (appointed 1 September 2017)
 Angela St John (resigned 5 October 2017)
 Pamela Stentiford (appointed 5 October 2017)
 Collette Stone (resigned 5 October 2017)

**Directors /
 Trustees**

Barry Nolan* (Chair)
 Karen Deacon (Deputy Chair)
 Hardip Begol
 James Clarke *
 Victoria Collis *
 Susan Douglas *
 Brian Eaton
 Helen Milner
 Antony Power
 Angela St John
 Collette Stone

* members of the Finance Committee

Senior Leadership Team

Chief Executive Officer (CEO) and
 Accounting Officer
 Director for Academy Development
 Director of Schools
 Associate Head of Schools
 Head of Grangewood School

 Head of Alexandra School
 Head of Moorcroft School
 Heads of RNIB Sunshine House School
 Head of Pentland Field School
 Director of Finance and Operations and
 Company Secretary

Susan Douglas
 John Ayres
 Jarlath O'Brien (appointed 1 September 2017)
 Hilary McDermott
 Hilary McDermott (from January 2018)
 Karen Clark (until December 2017)
 Perdy Buchanon-Barrow
 Andrew Sanders
 Jackie Seaman and Mark Fuell
 Audrey Pantelis

 Sudhi Pathak

The Eden Academy
Reference and Administrative Information (continued)

Registered address Grangewood School
Fore Street
Eastcote
Pinner
Middlesex
HA5 2JQ
United Kingdom

Website www.theedenacademy.co.uk

Company registration number 08036395 (England and Wales)

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers Lloyds Bank plc
286-288 Station Road
Harrow
HA1 2EB

Solicitors TPP Law Ltd
Enterprise House
1-2 Hatfields
London
SE1 9PG

The Eden Academy
Directors' Report For the year ended 31 August 2018

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 2018. The annual report serves the purposes of a Directors' Report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 33 to 38 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 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal activities

The Eden Academy delivers education to pupils with severe and moderate learning difficulties in the Local Authority of Hillingdon at Grangewood School, Moorcroft School and Pentland Field School and in the Local Authority of Harrow at Alexandra 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 charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a Member (as detailed in the Articles of Association).

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors

The Directors are Directors of the charitable company for the purposes of the Companies Act 2006. They are also the Trustees of the Academy Trust for the purposes of charity law and the terms "Directors" and "Trustees" are used interchangeably throughout this document. The following Directors were in office throughout the year and up to the date of approval of this report except where shown.

Directors / Trustees	Appointed/Relected/Resigned	Appointing body
Barry Nolan	Appointed 1 September 2016	Members
Karen Deacon	Appointed 1 September 2016	Members
John Ayres (Principal until resignation)	Resigned 5 October 2017	Ex officio
Hardip Begol	Appointed 1 September 2016	Members
James Clarke	Appointed 1 September 2017	Members
Victoria Collis	Appointed 9 July 2015	Members
Susan Douglas (CEO)	Appointed 1 September 2016	Members
Brian Eaton	Appointed 1 September 2018	Members
Judith Hemery Howick	Resigned 5 October 2017	Members
Ian Jentle	Resigned 1 September 2018	Members
Helen Milner	Appointed 1 September 2018	Members
Anthony Power	Appointed 1 September 2018	Members
Angela St John	Appointed 1 September 2016	Members
Pamela Stentiford	Resigned 5 October 2017	Members
Collette Stone	Appointed 1 September 2016	Members

Method of recruitment and appointment or election of Directors

In line with the re-structuring of the Senior Leadership Team, the CEO continues as a Director and represents the Senior Leadership Team on the Board.

In order to strengthen the financial acumen within the Board, the company appointed a Trustee with responsibility for Finance on 1 September 2017, recruiting through Academy Ambassadors.

A further Trustee, known to the Academy Trust as someone with significant expertise in education, was interviewed by the Chair of the Company and appointed on 1 September 2018. This Trustee has responsibility for general standards across the Academy Trust both educationally and professionally, and liaises directly with our Director of Schools.

With the two new schools joining the Academy Trust on 1 September 2018, as disclosed in note 17, two new Directors were appointed to represent those two schools which will form the Northern Hub. The Directors were recommended by the Board after taking account of their skill sets.

All new Trustees were approved by the Members.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of Directors

The Eden Academy purchases training from the Governor Support Service, which is an independent service offering governor training on a range of subjects. In addition, it is a member of the National Governance Association (NGA) and has a subscription to the Key for School Governors.

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 inspiring and 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 inspirational and clear leadership for all staff at The Eden Academy;
- ◆ To ensure strategies are in place to build and motivate teams and develop their capabilities and performance
- ◆ 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

The Eden Academy

Directors' Report (continued) For the year ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The role of the CEO (continued)

Operational and financial management (continued)

- ◆ To support The Eden Academy Board so that it fulfils its governance function effectively.

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 an 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 therapist and other professionals. The Academy Trust has also worked on its structure to ensure that all four schools have worked to the high standards set by the Board of Directors. The collaboration between the four 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

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 and Assistant Heads of School; and
- ◆ Service Managers.

For the Service Managers and the 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). For 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).

In 2017-18, the Remuneration Committee undertook a comprehensive review of Senior Leadership Pay (i.e. that of the CEO, Director for Schools, Director for Academy Development and Director for Finance and Operations). In doing so, they 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 (The Schools HR Co-operative Ltd). Salary scales are now in place for these four posts and progress up these scales is linked with performance.

No other Director is remunerated for their services to the Academy Trust.

Trade union facility time

None of the Academy Trust's employees were union officials and there were no other costs incurred by the Academy Trust in relation to Trade Union Facility Time during 2017/18.

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.

The Eden Academy

Directors' Report (continued) For the year ended 31 August 2018

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.

Mission: The Eden Academy will be a national leader in special education. Our mission is to draw on the individual strengths of each academy school to build good practice and ensure that outstanding teaching and learning is at the heart of everything we do. Young people will achieve excellent academic outcomes in a safe and nurturing environment and be empowered to make decisions about their lives and their contribution to society. We will nurture our staff professionally and create positive relationships with our parents and the wider community.

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. The main objectives are to develop consistency and common approaches across the Academy Trust within the following areas:

- ◆ Pupils;
- ◆ Staff;
- ◆ Families; and
- ◆ The wider community.

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

The Eden Academy

Directors' Report (continued) For the year ended 31 August 2018

OBJECTIVES AND ACTIVITIES (continued)

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 cross academy lead to co-ordinate family services across the Academy Trust. There are a wide ranging set of services including sibling groups and parent workshops on issues including behaviour management. 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 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 borough, fulfilling demand and significantly reducing travel time for many students.
- ◆ The Trust held a series of detailed conversations (and undertook due diligence) in relation to two additional schools joining the Trust from 1 September 2018. The Governing Bodies of Hexham Priory School (an all-through school for pupils with severe learning difficulties in Hexham, Northumberland) and James Rennie School (an all-through school for pupils with severe learning difficulties in Carlisle, Cumbria) voted to join the Trust in June 2018 and the Trustees of The Eden Academy accepted this proposal on 29 June 2018. These schools are referred to as the 'Northern Hub'.
- ◆ Leadership capacity was increased at the Trust with the appointment of a Director for Schools to oversee standards across the five schools. The post of Director for Academy Development was created (and filled by the former principal) to oversee the quality of services (family services, therapies and professional development and support services) across the Academy Trust as well as the free school project.
- ◆ Pentland Field School and Moorcroft received successful OFSTED inspection reports during the 2017-18 academic year, with both schools being judged as "good".
- ◆ The Eden Academy has set a surplus budget for each school in financially challenging climate. The funds available to the Academy Trust and the related expenditure have been kept under constant review.

The Eden Academy

Directors' Report (continued) For the year ended 31 August 2018

STRATEGIC REPORT (continued)

Key performance indicators

The Eden Academy has just completed its sixth financial year during which it has consolidated its position. The Board of Directors have focused on the 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 2017/18 year and year end position is provided as part of the financial review below.

The Academy Trust aims to maintain and improve the OFSTED ratings of its schools. Further details are provided under 'Plans for future periods'. See page 14.

The Trust now also gathers monitors and reviews information 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 the following key performance indicators (KPIs) which will be monitored for all constituent schools and the Trust where appropriate:

- ◆ School OFSTED grading;
- ◆ Student attendance rates;
- ◆ Staff retention rates;
- ◆ Number of safeguarding concerns raised;
- ◆ Actual staff salaries as a percentage of budget; and
- ◆ Actual in-year revenue surplus against budget.

The Academy Trust will report on the above KPI's in the 2018/19 report with a comparison to the 2017/18 results.

Financial review

The results for the year are shown in the Statement of Financial Activities on page 30.

Income for the year ended 31 August 2018 totalled £12,692k (2017 - £12,283k). This was derived principally from ESFA and local authority funding. Top up fees from Hillingdon are provided using a banded system based on the needs of each pupil identified through individual Education Health Care Plans. The Academy Trust has consulted and negotiated these top up fees with Hillingdon. Top up fees from Harrow were negotiated and changes were made in the current year. 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 2018 totalled £13,587k (2017 - £12,078k). The major part of the Academy Trust's expenditure is in relation to its staff costs which amounted to £11,163k (2017 - £9,795k). After accounting for the actuarial gains on the Local Government Pension Schemes of £1,695k (2017 – gains of £1,277k), the overall net increase in funds was £800k (2017 – increase of £1,482k).

The Eden Academy**Directors' Report** (continued) For the year ended 31 August 2018**STRATEGIC REPORT** (continued)**Financial review** (continued)

The Academy Trust has ended the year with a closing total fund of £14,639k (2017 - £13,839k) which comprises the balance on the fixed assets fund of £17,658k (2017 - £17,707k) a restricted income fund balance of £2,210k (2017 - £2,063k) and the pension deficit fund balance of £5,229k (2017 - £5,931k).

Reserves policy and financial position

The reserves policy was last approved by the Board in November 2016 and is reviewed every three years. The Academy Trust aims to hold reserves (excluding those relating to fixed assets and pension deficit) of between 2% and 6% of income. General reserves constitute restricted general funds. All restricted income funds were from revenue funding and are available for the general purposes of the Academy Trust.

At the end of August 2018 the level of restricted income reserves were at 17.4% (2017 - 16.8%) of 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:

- ◆ The risk attached to the two Northern Hub schools which joined the Academy Trust on 1 September 2018;
- ◆ 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 2018.

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that The Eden Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Principal Accounting Policies.

Investment policy

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

STRATEGIC REPORT (continued)

Fundraising

Each of the schools within The Eden Academy is supported by a separate charity which fundraises on behalf of that school. These charities are as follows:

- ◆ Alexandra School: Friends of Alexandra (UK Registered Charity Number 286980);
- ◆ Grangewood School: Friends of Grangewood (UK Registered Charity Number 280621);
- ◆ Moorcroft School: Friends of Moorcroft School (UK Registered Charity Number 284660);
and
- ◆ Pentland Field School: Friends of Pentland.

Each charity has a nominated body, consisting of a chair, secretary and treasurer as well as members who support the general fundraising initiatives. The charities have several purposes including:

- ◆ Raising money through events for their school;
- ◆ Increasing parental engagement through family activities; and
- ◆ Increasing awareness of our schools within the local community;

Our not-for-profit status also allows us to apply for grants through organisations such as the Lottery and Children in need. We are also supported by a number of local charities on a regular basis.

We don't employ professional fundraisers to seek funds on our behalf. Each committee meets periodically and has secure systems in place for managing funds raised. The charity books are audited yearly and reports are provided to the charity commission with whom we are registered.

Funds are allocated to projects in accordance with the school's priorities. Heads will approach their charity to fund specific projects. These are discussed within the committee and agreed as appropriate.

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.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Funding (continued)

Since the change to the funding formula, it is the responsibility of the Academy Trust to collect a significant part of the individual pupils funding from the relevant local authorities. This can be a slow process which has an impact on the Academy Trust's cash flow. We have managed to significantly reduce this risk through negotiation with Hillingdon Local Authority who are now paying an agreed monthly payment to support this and Harrow Local Authority who are now paying termly, thus improving cash flow.

Competitors

The schools have a good reputation and are currently at full capacity. There are no significant competitors within the local area at the moment. However, the Government initiative to open more Free Schools across the country could be seen as a threat. This has 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 Risk Register.

PLANS FOR FUTURE PERIODS

As noted earlier in this report, following due diligence two additional schools joined the Trust from 1 September 2018 – Hexham Priory School (an all-through school for pupils with severe learning difficulties in Hexham, Northumberland) and James Rennie School (an all-through school for pupils with severe learning difficulties in Carlisle, Cumbria).

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 with an aim of opening the schools in 2020-21.

In 2018-19, the Trustees plan to update their overarching strategic plan for the Academy Trust by articulating their vision and priorities for 2018-22. In addition, they intend to set broad overarching aims for the Academy Trust each year and in 2018-19, these will focus on:

- ◆ Preparing young people for life after school;
- ◆ Creating and embedding effective communication systems and interactions between the north and south hub of The Eden Academy;

The Eden Academy

Directors' Report (continued) For the year ended 31 August 2018

PLANS FOR FUTURE PERIODS (continued)

- ◆ 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 charitable company'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.

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



B Nolan
Chair of Directors

Date: 17/12/18

The Eden Academy
Governance Statement For the year ended 31 August 2018

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that The Eden Academy ("the Academy 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

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 five times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of a possible
John Ayres (Principal until resignation)	0	0
Hardip Begol	4	5
James Clarke	5	5
Victoria Collis	5	5
Susan Douglas (CEO)	5	5
Karen Deacon	5	5
Judith Hemery Howick	1	1
Ian Jentle	3	4
Barry Nolan	5	5
Angela St John	3	5
Pamela Stentiford	1	1
Collette Stone	5	5

Governance reviews

During the summer term 2017, the Board of Directors undertook a review of governance and this was implemented in September 2017. This made a number of changes which are further detailed below:

- ◆ The separation of Members and Directors was made more explicit. From 1 September 2017, Hardip Begol will act as Chair of the Members Board and no more than 40% of Directors will also be Members.

The Eden Academy

Governance Statement (continued) For the year ended 31 August 2018

Governance reviews (continued)

- ◆ The “representation model” (where each school had a representative on the Board) was felt to have outgrown its usefulness. Directors now take on portfolio roles linked to the senior team (e.g. James Clarke as the Chair of the Finance Committee liaises with Sudhi Pathak, Director for Finance and Operations) or have particular responsibilities (e.g. safeguarding).
- ◆ Two additional Directors were recruited with specific expertise in finance and education.
- ◆ In line with the re-structuring of the Senior Leadership Team, the CEO will continue as a Trustee and will represent the Senior Leadership Team on 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) For the year ended 31 August 2018

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
Susan Douglas	Director and CEO	3	4
John Marr	Governor rep, Grangewood	5	5
Barry Nolan	Director	5	5
Rashmi Patel	Governor rep, Pentland	5	5
Temple Rogers	Governor rep, Alexandra	0	1
Jamie Clarke	Director	5	5
Victoria Collis	Director	4	4

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) For the year ended 31 August 2018

Audit Committee (continued)

Regularity (continued)

- ◆ Responsibility for commissioning investigation 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.
- ◆ Review Local Advisory Board agreed policies to ensure these do not contradict Academy Trust-wide policies.
- ◆ Read 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) For the year ended 31 August 2018

Audit Committee (continued)

Attendance at meetings in the year was as follows:

Committee Members	Meetings attended	Out of a possible
Mark Lemon	5	5
Martin Hand	5	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 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 2018 and up to the date of approval of the annual report and financial statements.

The Eden Academy

Governance Statement (continued) For the year ended 31 August 2018

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 2018 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
- ◆ developing an asset management register.

The Board of Directors has considered the need for a specific internal audit function. Buzzacott were appointed in the 2016/17 period to carry out an extensive internal audit. For the current period it was felt, in conjunction with suggestions from the audit committee, that an audit of Information Technology systems and related security was an important issue and Buzzacott was appointed to do an audit of those systems. Various recommendations came out the audit, which are being implemented, but none were of a fundamental nature. It is likely that an in depth internal audit will be commissioned for 2018/19.

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:

- ◆ the work of the Internal Auditor;
- ◆ 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.

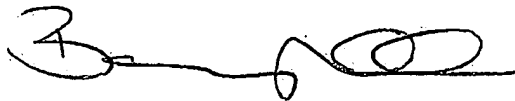
The Eden Academy

Governance Statement (continued) For the year ended 31 August 2018

Review of effectiveness (continued)

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:



B Nolan
Chair of Directors

Date: 17/2/18



S Douglas
Accounting Officer

The Eden Academy

Statement on Regularity, Propriety and Compliance For the year ended 31 August 2018

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 2017.

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 2017.

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.



S Douglas
Accounting Officer

Date: 17/12/18

The Eden Academy

Statement of Directors' Responsibilities For the year ended 31 August 2018

The Directors (who act as Trustees of The Eden Academy ("the Academy Trust") 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:

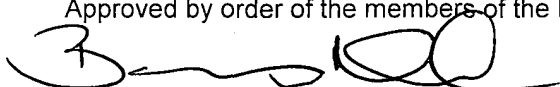
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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:



B Nolan
Chair of Directors

Date: 17/12/18

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 2018 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 2015) and the Academies Accounts Direction 2017 to 2018.

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 2018 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 2015 and Academies Accounts Direction 2017 to 2018.

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

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 including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Directors' report including 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

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 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.

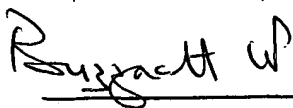
Auditor's responsibilities for the audit of the financial statements

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. 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.



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

20 December 2018

The Eden Academy
Independent Accountant's Report For the year ended 31 August 2018

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 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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) For the year ended 31 August 2018

Approach (continued)

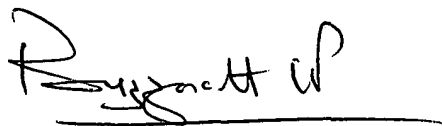
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Reporting Accountants
130 Wood Street
London
EC2V 6DL

20 December 2018

The Eden Academy
Statement of Financial Activities
(including income and expenditure account) For the year ended 31 August 2018

	Notes	Unrestricted general fund £000	Restricted general fund £000	Restricted fixed assets fund £000	31 August 2018 £000	31 August 2017 £000
Income from:						
Donations and capital grants	1	2	—	424	426	643
Charitable activities						
Funding for the Academy Trust's educational operations	3	—	11,857	—	11,857	11,130
Other trading activities	2	409	—	—	409	510
Total income		411	11,857	424	12,692	12,283
Expenditure						
Charitable activities						
Academy Trust's educational operations	5	411	12,692	484	13,587	12,078
Total expenditure	4	411	12,692	484	13,587	12,078
Net (expenditure)/income		—	(835)	(60)	(895)	205
Transfers between funds		—	(11)	11	—	—
		—	(846)	(49)	(895)	205
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	15	—	1,695	—	1,695	1,277
Net movement in funds		—	849	(49)	800	1,482
Reconciliation of funds						
Total fund balances brought forward at 1 September		—	(3,868)	17,707	13,839	12,357
Total fund balances carried forward at 31 August		—	(3,019)	17,658	14,639	13,839

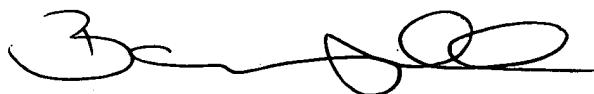
All of the Academy Trust's activities derived from continuing operations during the above two financial periods.

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

The Eden Academy
Balance Sheet as at 31 August 2018

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible fixed assets	9		17,420		17,454
Current assets					
Debtors	10	282		364	
Cash at bank and in hand		2,555		2,178	
		2,837		2,542	
Liabilities					
Creditors: amounts falling due within one year	11	(389)		(226)	
Net current assets			2,448		2,316
Total assets less current liabilities			19,868		19,770
Pension scheme liability	15		(5,229)		(5,931)
Total net assets			14,639		13,839
Restricted funds					
Fixed assets fund	12		17,658		17,707
Restricted income fund	12		2,210		2,063
Pension reserve	12		(5,229)		(5,931)
Total restricted funds	12		14,639		13,839
Unrestricted income funds					
General fund	12		—		—
Total funds			14,639		13,839

The financial statements on pages 30 to 55 were approved by the Directors, and authorised for issue and are signed on their behalf by:



B Nolan
Chair of Directors

Date: 17/12/18

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

The Eden Academy
Statement of Cash Flows For the year ended 31 August 2018

		2018 £'000	2017 £'000
Net cash flows from operating activities			
Net cash provided by operating activities	A	403	492
Cash flows from investing activities	B	(26)	16
Change in cash and cash equivalents in the year		377	508
Cash and cash equivalents at 1 September		2,178	1,670
Cash and cash equivalents at 31 August	C	2,555	2,178

A Reconciliation of income to net cash flow from operating activities

	2018 £'000	2017 £'000
Net income for the year (as per the statement of financial activities)	(895)	205
Adjusted for:		
Depreciation charges (note 9)	484	460
Capital grants from DfE and other capital income (note 1)	(424)	(586)
Defined benefit pension scheme cost less contributions payable (note 15)	835	417
Defined benefit pension scheme finance cost (note 15)	158	143
Decrease in debtors	82	399
Increase (decrease) in creditors	163	(546)
Net cash provided by operating activities	403	492

B Cash flows from investing activities

	2018 £'000	2017 £'000
Purchase of tangible fixed assets	(450)	(570)
Capital grants from DfE/ESFA	424	586
Net cash (used in) / provided by investing activities	(26)	16

C Analysis of cash and cash equivalents

	2018 £'000	2017 £'000
Cash at bank and in hand	2,555	2,178
Total cash and cash equivalents	2,555	2,178

The Eden Academy
Principal Accounting Policies For the year ended 31 August 2018

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 2015), the Academies Accounts Direction 2017 to 2018 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.

Income

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

Grants

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

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

Income (continued)

Grants (continued)

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the 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.

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.

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
♦ Motor vehicles	4 years
♦ Computer equipment	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.

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.

The Eden Academy
Principal Accounting Policies (continued) For the year ended 31 August 2018

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.

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 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Restatements

Certain 2017 comparative figures have been reanalysed in these financial statements to provide more meaningful comparison. Where such reanalysis has been undertaken, the comparative information has been noted as 'restated'. These changes have had no effect on the financial results or fund position of the Academy trust as at 31 August 2017

The Eden Academy
Notes to the Financial Statements For the year ended 31 August 2018

1 Donations and capital grants

	Unrestricted funds £000	Restricted fixed assets funds £000	2018 Total funds £000	2017 Total funds £000
Capital grants	—	424	424	586
Other donations	2	—	2	57
	2	424	426	643

2 Other trading activities

	Unrestricted funds £000	Restricted fixed assets funds £000	2018 Total funds £000	2017 Total funds £000
Hire of facilities	81	—	81	76
Trip income	2	—	2	4
Catering income	31	—	31	32
RNIB Sunshine House recharges	161	—	161	292
Miscellaneous income	134	—	134	106
	409	—	409	510

Hire of facilities predominantly comprises rent receivable from Growing Trees Nurseries in both the current and prior year.

3 Funding for Academy Trust's educational operations

	Unrestricted funds £000	Restricted general funds £000	2018 Total funds £000	2017 Total funds (restated) £000
DfE/ESFA grants				
. General Annual Grant (GAG)	—	3,944	3,944	3,961
. Other DfE / ESFA	—	469	469	561
	—	4,413	4,413	4,522
Other Government grants				
. Local authority grants	—	7,400	7,400	6,560
	—	7,400	7,400	6,560
Other income from educational operations	—	44	44	48
	—	11,857	11,857	11,130

The Eden Academy

Notes to the Financial Statements (continued) For the year ended 31 August 2018

4 Expenditure

		Non pay expenditure			
	Staff costs (note 6) £000	Premises £000	Other costs £000	2018 Total £000	2017 Total £000
Academy's educational operations					
· Direct costs (note 5)	8,857	—	372	9,229	8,544
· Allocated administrative support costs* (note 5)	2,306	624	1,428	4,358	3,534
	11,163	624	1,800	13,587	12,078
Net income for the year includes:					
Depreciation				484	460
Fees payable to auditor					
· Statutory audit				29	25
· Other services				9	5

* 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.

5 Charitable activities

	2018 Total £000	2017 Total £000
Direct costs (educational operations)	9,229	8,544
Support costs (administrative)	4,358	3,534
	13,587	12,078
	2018 Total £000	2017 Total £000
Support staff costs (administrative)*	2,306	1,697
Depreciation	484	460
Technology costs	24	36
Premises costs	624	509
Other support costs	478	418
Governance costs	442	414
Total support costs	4,358	3,534

* Support staff costs includes service and finance cost adjustments made in respect of defined benefit pension schemes totalling £993,000 (2017: £560,000),

The Eden Academy
Notes to the Financial Statements (continued) For the year ended 31 August 2018

6 Staff

(a) Staff costs

Staff costs during the year were:

	2018 Total £000	2017 Total £000
Wages and salaries	7,228	6,673
Social security costs	635	518
Pension costs		
Employer contributions payable	1,307	1,210
Service cost adjustment in respect of defined benefit schemes	835	417
Apprenticeship levy	25	8
	10,030	8,826
Supply staff costs	1,133	919
Staff restructuring costs	—	50
	11,163	9,795

	2018 Total funds £000	2017 Total funds £000
Staff restructuring costs comprise:		
Severance payments	—	9
Other restructuring costs	—	41
	—	50

For the year ended 31 August 2018, there were no staff restructuring costs. Included in staff restructuring costs for the year ended 31 August 2017 are non-statutory / non-contractual termination payments totalling £40,574 to 13 individuals. Individually the payments were £3,052, £2,760, £3,819, £2,760, £3,360, £2,016, £3,360, £2,481, £3,360, £3,437, £1,622, £4,055 and £4,492.

(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	2018 No.	2017 No. (restated)
Teachers and educational support	286	284
Administration	21	21
Management	23	21
	330	326

The Eden Academy
Notes to the Financial Statements (continued) For the year ended 31 August 2018

6 Staff (continued)

(c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2018 No.	2017 No.
£60,001 - £70,000	4	6
£70,001 - £80,000	2	—
£80,001 - £90,000	1	—
£100,001 - £110,000	1	—
£130,001 - £140,000	—	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 1. 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 £797,907 (2017 - £804,007).

(e) Directors' expenses

One Director claimed expenses totalling £194 during the year (2017 - £nil).

Other related party transactions are set out in note 16.

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 did not receive any payments, other than expenses, from the Academy Trust in respect of their role as governors. The value of Directors' remuneration and other benefits was as follows:

	2018 £000	2017 £000
John Ayres, Director of Academy Development		
. Remuneration	100-105	130-135
. Employer's pension contributions	5-10	20-25
Susan Douglas, CEO		
. Remuneration	75-80	45-50
. Employer's pension contributions	15-20	10-15

The Eden Academy
Notes to the Financial Statements (continued) For the year ended 31 August 2018

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 either 6% or 5.75% (2017 – 6% or 5.75%) of income.

The actual amounts charged during the year were as follows:

	2018 £000	2017 £000
Alexandra School	106	122
Grangewood School	215	211
Moorcroft School	145	155
Pentland Field School	236	232
	702	720

The Eden Academy

Notes to the Financial Statements (continued) For the year ended 31 August 2018

9 Tangible fixed assets

	Freehold land and buildings £'000	Lease- hold land and buildings £000	Furniture and equip- ment £'000	Computer equip- ment £'000	Motor vehicles £000	Total funds £000
Cost/valuation						
At 1 September 2017	7,220	11,562	101	117	118	19,118
Additions	450	—	—	—	—	450
At 31 August 2018	7,670	11,562	101	117	118	19,568
Depreciation						
At 1 September 2017	322	1,139	72	55	76	1,664
Charge in year	154	257	25	29	19	484
At 31 August 2018	476	1,396	97	84	95	2,148
Net book value						
At 31 August 2018	7,194	10,166	4	33	23	17,420
At 31 August 2017	6,898	10,423	29	62	42	17,454

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 2018, the Academy Trust had capital commitments totalling £524,576 (2017 - £nil) in respect of amounts contractually agreed, but not yet delivered to the Academy Trust.

10 Debtors

	2018 £000	2017 £000
Trade debtors	18	37
VAT recoverable	69	261
Prepayments and accrued income	195	66
	282	364

11 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Taxation and social security	166	175
Accruals and deferred income	223	51
	389	226
Deferred income		
Deferred income at 1 September	—	14
Released during the year	—	(14)
Resources deferred in the year	—	—
Deferred income at 31 August	—	—

The Eden Academy

Notes to the Financial Statements (continued) For the year ended 31 August 2018

12 Funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
. General Annual Grant (GAG)	—	3,944	(4,223)	279	—
. Pupil Premium	—	176	(176)	—	—
. Other ESFA grants	—	293	(293)	—	—
. Pension reserve	(5,931)	—	(993)	1,695	(5,229)
	<u>(5,931)</u>	<u>4,413</u>	<u>(5,685)</u>	<u>1,974</u>	<u>(5,229)</u>
Restricted fixed asset funds					
. DfE/ESFA capital grants	17,707	424	(484)	11	17,658
	<u>17,707</u>	<u>424</u>	<u>(484)</u>	<u>11</u>	<u>17,658</u>
Other restricted funds					
. Local authority grants	2,063	7,444	(7,007)	(290)	2,210
	<u>2,063</u>	<u>7,444</u>	<u>(7,007)</u>	<u>(290)</u>	<u>2,210</u>
Total restricted funds	<u>13,839</u>	<u>12,281</u>	<u>(13,176)</u>	<u>1,695</u>	<u>14,639</u>
Unrestricted funds					
. General funds	—	411	(411)	—	—
Total unrestricted funds	<u>—</u>	<u>411</u>	<u>(411)</u>	<u>—</u>	<u>—</u>
Total funds	<u>13,839</u>	<u>12,692</u>	<u>(13,587)</u>	<u>1,695</u>	<u>14,639</u>

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 2018.

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 tangible fixed assets.

Pension reserve

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

The Eden Academy

Notes to the Financial Statements (continued) For the year ended 31 August 2018

12 Funds (continued)

Analysis of fund balance by academy

Fund balances at 31 August were allocated as follows:

	2018 £000	2017 £000
Central	405	467
Moorcroft	387	321
Grangewood	357	549
Alexandra	619	423
Pentland	442	303
Total before fixed assets and pension reserve	2,210	2,063
Restricted fixed assets fund	17,658	17,707
Pension liability	(5,229)	(5,931)
Total	14,639	13,839

Analysis of academies by cost

Expenditure incurred by each school and the central fund during the year (excluding £484,000 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	2018 Total £'000	2017 Total £'000
Alexandra School	1,102	295	78	202	1,677	1,721
Grangewood School	2,241	362	65	376	3,044	2,994
Moorcroft School	1,381	400	56	205	2,042	2,209
Pentland Field School	1,882	1,049	158	392	3,481	3,032
Central fund	393	2,058	16	392	2,859	1,662
Academy Trust	6,999	4,164	373	1,567	13,103	11,618

The Eden Academy
Notes to the Financial Statements (continued) For the year ended 31 August 2018

12 Funds (continued)

Comparative information

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

	Balance at 1 September 2016 (restated) £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
. General Annual Grant (GAG)	—	3,961	(4,686)	725	—
. Pupil Premium	—	184	(184)	—	—
. Other ESFA grants	—	377	(377)	—	—
. Pension reserve	(6,648)	—	(560)	1,277	(5,931)
	<u>(6,648)</u>	<u>4,522</u>	<u>(5,807)</u>	<u>2,002</u>	<u>(5,931)</u>
Restricted fixed asset funds					
. DfE/ESFA capital grants	17,581	586	(460)	—	17,707
	<u>17,581</u>	<u>586</u>	<u>(460)</u>	<u>—</u>	<u>17,707</u>
Other restricted funds					
. Local authority grants	1,424	6,397	(5,505)	(253)	2,063
. Other restricted funds	—	211	(211)	—	—
	<u>1,424</u>	<u>6,608</u>	<u>(5,716)</u>	<u>(253)</u>	<u>2,063</u>
Total restricted funds	<u>12,357</u>	<u>11,716</u>	<u>(11,983)</u>	<u>1,749</u>	<u>13,839</u>
Unrestricted funds					
. General funds	—	567	(95)	(472)	—
Total unrestricted funds	<u>—</u>	<u>567</u>	<u>(95)</u>	<u>(472)</u>	<u>—</u>
Total funds	<u>12,357</u>	<u>12,283</u>	<u>(12,078)</u>	<u>1,277</u>	<u>13,839</u>

The Eden Academy
Notes to the Financial Statements (continued) For the year ended 31 August 2018

12 Funds (continued)

Comparative information (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 (restated) £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
. General Annual Grant (GAG)	—	7,905	(8,909)	1,004	—
. Pupil Premium	—	360	(360)	—	—
. Other ESFA grants	—	670	(670)	—	—
. Pension reserve	(6,648)	—	(1,553)	2,972	(5,229)
	<u>(6,648)</u>	<u>8,935</u>	<u>(11,492)</u>	<u>3,976</u>	<u>(5,229)</u>
Restricted fixed asset funds					
. DfE/ESFA capital grants	17,581	1,010	(944)	11	17,658
	<u>17,581</u>	<u>1,010</u>	<u>(944)</u>	<u>11</u>	<u>17,658</u>
Other restricted funds					
. Local authority grants	1,424	13,841	(12,512)	(543)	2,210
. Other restricted funds	—	211	(211)	—	—
	<u>1,424</u>	<u>14,052</u>	<u>(12,723)</u>	<u>(543)</u>	<u>2,210</u>
Total restricted funds	<u>12,357</u>	<u>23,997</u>	<u>(25,159)</u>	<u>3,444</u>	<u>14,639</u>
Unrestricted funds					
. General funds	—	978	(506)	(472)	—
Total unrestricted funds	<u>—</u>	<u>978</u>	<u>(506)</u>	<u>(472)</u>	<u>—</u>
Total funds	<u>12,357</u>	<u>24,975</u>	<u>(25,665)</u>	<u>2,972</u>	<u>14,639</u>

13 Analysis of net assets between funds

	Unrestricted funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total 2018 £000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	—	—	17,420	17,420
Current assets	—	2,599	238	2,837
Current liabilities	—	(389)	—	(389)
Pension scheme liability	—	(5,229)	—	(5,229)
Total net assets	—	(3,019)	17,658	14,639

14 Members' Liability

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

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 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme (TPS)

Introduction

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

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

15 Pension and similar obligations (continued)

Teachers' Pension Scheme (TPS) (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal accounting principles, conducts a formal review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ♦ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge);
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million;
- ♦ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- ♦ The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.48% which was payable from September 2015. The next valuation of the TPS is currently underway whereupon the employer contribution rate is expected to be reassessed. Initial indications are that the employer's contribution rate will increase to 23.6% from September 2019 and that government funding will be made available to cover the increased costs

The employer pension costs paid to TPS in the period amounted to £347,214 (2017 - £335,165).

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

Under the definitions set out in Financial Reporting Standard (FRS 102 Section 28) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy Trust has taken advantage of the exemption in FRS 102 Section 28 and 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.

15 Pension and similar obligations (continued)

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 2018 (as referenced by the actuaries in determining their estimates) was £1,252,000 (2017 - £1,303,000), of which employer's contributions totalled £980,000 (2017 - £1,052,000) and employees' contributions totalled £272,000 (2017 - £251,000). The agreed contribution rates for future years are between 5.5% and 12.5% for employees and between 22% and 28% for employers.

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

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

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

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	2.7%	2.4%
Rate of increase for pensions in payment / inflation	2.3%	2.8%
Discount rate for scheme liabilities	2.8%	2.5%

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 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.5	22.5
Females	24.6	24.6
<i>Retiring in 20 years</i>		
Males	24.0	24.1
Females	26.5	26.5

15 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	At 31 August 2018 £'000	At 31 August 2017 £'000
Sensitivity analysis – net increase in liability		
0.5% decrease in real discount rate	1,986	1,823
0.5% increase in pension increase rate	1,615	1,413
0.5% increase in salary increase rate	348	376

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 2018 £'000	Fair value at 31 August 2017 £'000
Equities	4,418	4,395
Corporate bonds	2,147	1,529
Property	953	784
Cash and other liquid assets	801	157
Total market value of assets	8,319	6,865

A long term expected rate of return at 31 August 2018 has not been provided for accounting periods beginning on or after 1 January 2015, the expected rate of return and interest cost will be replaced with a single net interest cost. This will effectively set the expected return at a level equal to the discount rate of 3.8%.

	2018 £'000	2017 £'000
Amounts recognised in statement of financial activities		
Current service cost	(1,815)	(1,457)
Past service cost	—	(12)
Interest income	186	125
Interest cost	(344)	(268)
Total amount recognised in the SOFA	(1,973)	(1,612)

	2018 £'000	2017 £'000
Changes in the present value of defined benefit obligations were as follows:		
Scheme obligations at 1 September	12,796	12,010
Current service cost	1,815	1,457
Interest cost	344	268
Employee contributions	272	251
Actuarial (gain)/loss	(1,575)	(1,100)
Past service cost	—	12
Benefits paid	(104)	(102)
At 31 August	13,548	12,796

15 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Academy Trust's share of scheme assets:	2018 £000	2017 £000
Fair value of scheme assets at 1 September	6,865	5,362
Interest income	186	125
Actuarial gain	120	177
Employer contributions	980	1,052
Employee contributions	272	251
Benefits paid	(104)	(102)
At 31 August	8,319	6,865

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. No such transactions arose during the 2017-18 financial year.

John Ayres (Trustee until October 2017 and Senior Leadership Team), Hilary McDermott (Senior Leadership Team), and Karen Clarke (Senior Leadership Team until December 2017) are all Trustees of The Friends of Grangewood, a separate UK registered charity (Registration Number 280621) which fundraises for the benefit of Grangewood School. During the 2017-18 financial year, the charity donated £nil (2017 - £2,115) to The Eden Academy. There were no outstanding balances at the end of the period.

The spouse of the Head of School at Alexandra School is employed within the IT department. His earnings for the year were £6,321 (2017 - £5,506). 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.

17 Post balance sheet events

Following due diligence two additional schools joined the Trust from 1 September 2018 – Hexham Priory School (an all-through school for pupils with severe learning difficulties in Hexham, Northumberland) and James Rennie School (an all-through school for pupils with severe learning difficulties in Carlisle, Cumbria). Hexham Priory School has 102 pupils on roll and James Rennie School 141. Collectively, funding of circa £5.7m is expected in 2018/19 in respect of the two new schools and they will introduce properties with a value of circa £13 million on to the Trust's balance sheet.

During the prior year, the Secretary of State approved the establishment of Moorcroft Primary Free School and Grangewood All-through Free School. Moorcroft Primary Free School is anticipated to be constructed at an ESFA owned site in West Drayton, whilst the 180 place Grangewood All-through Free School is to be constructed at the existing Grangewood site. Existing Grangewood students will be temporarily re-located to an alternative facility whilst construction work is undertaken at the Grangewood site. The schools are scheduled to open in September 2020/21.

The Eden Academy
Notes to the Financial Statements (continued) For the year ended 31 August 2018

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 2017 £000
Income from:				
Donations and capital grants	57	—	586	643
Charitable activities				
· Funding for the Academy Trust's educational operations	—	11,130	—	11,130
Other trading activities	510	—	—	510
Investments	—	—	—	—
Total income	567	11,130	586	12,283
Expenditure				
Charitable activities				
· Academy Trust's educational operations	95	11,523	460	12,078
Total expenditure	95	11,523	460	12,078
Net income/(expenditure)	472	(393)	126	205
Transfers between funds	(472)	472	—	—
	—	79	126	205
Other recognised gains and losses				
Actuarial gains/(losses) on defined benefit pension schemes	—	1,277	—	1,277
Net movement in funds	—	1,356	126	1,482
Reconciliation of funds				
Total fund balances brought forward at 1 September	—	(5,224)	17,581	12,357
Total fund balances carried forward at 31 August	—	(3,868)	17,707	13,839