

The Eveleigh LINK Academy Trust

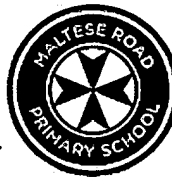
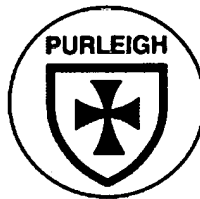
(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018



EVELEIGH LINK ACADEMY TRUST



Edmund Carr

Chartered Accountants

Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

FRIDAY



A07 *A7XV83TM*
25/01/2019 #420
COMPANIES HOUSE

The Eveleigh LINK Academy Trust

Contents

| | |
|--|----------|
| Reference and Administrative Details | 1 to 2 |
| Trustees' Report | 3 to 8 |
| Governance Statement | 9 to 12 |
| Statement on Regularity, Propriety and Compliance | 13 |
| Statement of Trustees' Responsibilities | 14 |
| Independent Auditor's Report on the Financial Statements | 15 to 17 |
| Independent Reporting Accountant's Report on Regularity | 18 to 19 |
| Statement of Financial Activities incorporating Income and Expenditure Account | 20 to 21 |
| Balance Sheet | 22 |
| Statement of Cash Flows | 23 |
| Notes to the Financial Statements | 24 to 47 |

The Eveleigh LINK Academy Trust

Reference and Administrative Details

| | |
|------------------------------------|--|
| Members | Mr K Bannister (appointed 1 December 2017) Mr C Day, Chairman Mr R Hockley Mr M Lewin Mrs Y Norburne |
| Trustees (Directors) | Mr R Baker Mrs G Buschor Mr J Figg Mr S Hallet Mr M Jackson Mrs S Kightley, Chair Mrs M Landy (resigned 19 July 2018) Miss E Padfield Mrs J Robson Dr N Rudman |
| Chief Executive Officer | Mr J Figg |
| Company Secretary | Mrs N Braid |
| Senior Management Team | Mr J Figg, CEO & Executive Headteacher (Purleigh and Meadgate) Mr N Stotter, Head of School (Purleigh) Ms K Meager, Head of School (Meadgate) Miss C Pateman, Senior Teacher (Meadgate) Mrs F White, Head of School (Maltese Road) Dr N Rudman, Executive Headteacher (Maltese Road and Maylandsea) Mrs H McCann, Head of School (Maylandsea) Ms L Battersby, Headteacher (Larkrise) Miss J Kendall, Deputy Headteacher (Larkrise) Miss D Collins, Assistant Headteacher (Larkrise) |
| Registered Office | Purleigh Community Primary School Pump Lane Purleigh Chelmsford Essex CM3 6PJ |
| Company Registration Number | 08823327 |

The Eveleigh LINK Academy Trust

Reference and Administrative Details (continued)

| | |
|-------------------|---|
| Auditors | Edmund Carr LLP Chartered Accountants & Statutory Auditor 146 New London Road Chelmsford Essex CM2 0AW |
| Bankers | Lloyds Bank High St Chelmsford 77 High Street Chelmsford Essex CM1 1DU |
| Solicitors | Walker Morris Kings Court 12 Kings Street Leeds West Yorkshire LS1 2HL |

The Eveleigh LINK Academy Trust

Trustees' Report for the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Eveleigh LINK Academy Trust operates five primary schools in the Chelmsford/Maldon region of Essex. It has a pupil capacity of 1,120 and had a roll of approximately 1,015 in the school census in October 2017. Maltese Road Primary School was operational from September 2015 but numbers grew throughout 2017 - 2018.

Structure, governance and management

Constitution

The Multi Academy Trust (MAT) 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 company registration number is 08823327.

The Members of The Eveleigh LINK Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Eveleigh LINK Academy Trust.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

Each Member of the charitable company undertakes to contribute to the assets of the 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.

Method of recruitment and appointment or election of Trustees

Trustees may agree unanimously in writing to appoint or remove such additional trustees as they see fit. Parent Trustees are elected by parent members of the Local Governing Bodies. An elected Parent Trustee must be a parent of a registered pupil at one of the schools at the time of his/her election. Any election of Parent Trustees which is contested is held by secret ballot.

Policies and procedures adopted for the induction and training of Trustees

The MAT has appointed a Trustee with responsibility for overseeing training arrangements and ensuring that all Trustees and Members are aware of how training should be accessed. The Trustee will provide relevant reports at meetings regarding ongoing training opportunities.

Organisational structure

The MAT comprises of our Members and ten Trustees. CEO is the Accounting Officer. Additionally, each school within the MAT has a Local Governing Body for dealing with the day-to-day running of the respective schools. Trustees make decisions for the overall MAT and contentious issues unable to be dealt with at this level would be escalated to Members for a final decision.

Connected organisations, including related party relationships

Owing to the nature of the academy's operations and the method by which Trustees and Governors are drawn from public and private sector organisations, it is inevitable that on occasions, one of these individuals may have an interest in an academy transaction. All parties sign a declaration of business interest in accordance with financial regulations and best practice recommendations.

The Eveleigh LINK Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Risk management

The MAT has produced a risk register confirming that the major risks, to which the academy trust is exposed, as identified by the Trustees, have been reviewed, and that systems or procedures have been established to manage those risks. Training has been carried out for Trustees, Members and Local Governing Bodies on how to manage risk and how to manage risk appetite. This has been further supported by GDPR training in May 2018.

Trustees have reviewed the risks to which the academy is exposed, together with operating, financial and compliance controls that have been implemented to mitigate these risks. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that have been in place for the period ending 31st August 2018 and up to the date of approval of the annual report and financial statements. This process is kept under regular review by the Audit & Risk Committee. The academy's object is to advance for the public benefit of education in the UK and the provision of community facilities.

Trustees' indemnities

Academy insurance encompass all relevant insurance including Governor third party indemnity provision.

Arrangements for setting pay and remuneration of key management personnel

During the year the pay of senior staff is agreed by the MAT board and not by the individual governing bodies. The board use other Trust's pay policies as a guide to decide upon a suitable pay policy for the MAT and is reviewed each year. This has helped to ensure fairness for each school and transparency at board level for senior staff pay.

Objectives and activities

Public benefit

As set out in the Articles of Association, the academy's object is to advance for the public benefit education in the UK and the provision of community facilities.

Academy Trustees have complied with their duty to have due regard to the guidance of public benefit published by the Charity Commission in exercising their powers of duties.

Objects and aims

The school development plans and the MAT development plan sets out the MAT's overarching aims;

- Providing all pupils within the trust with an education that enables them to fulfil their potential while developing social and interaction skills that prepare them for adulthood
- Creating a culture within which all members of the schools' communities demonstrate outstanding practice and learning
- Identifying potential leaders and providing the opportunities to develop this potential through collaborative practice
- Ensuring that all members of staff are given a structured and rigorous programme of development that ensures they become creative and skilled practitioners, able to deliver excellence

The Eveleigh LINK Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Objectives, strategies and activities

The academy's object is to advance for the public benefit education in the UK and the provision of community facilities.

Academy Trustees have complied with their duty to have due regard to the guidance of public benefit published by the Charity Commission in exercising their powers of duties.

The Eveleigh LINK Academy Trust strives to ensure that pupils achieve their potential academically and via a range of extra-curricular activities. The MAT is committed to ensuring good staff professional development to help support pupil achievement as does a rich Planning, Preparation and Assessment (PPA) curriculum and a considered use of pupil premium funding.

The Members & Trustees would like to extend grateful thanks to all schools' communities for the way that The Eveleigh LINK Academy Trust has been embraced and developed since our inception four and half years ago. The partnership between the schools, their families, and the local governing bodies has been refined, significantly improved and continues to grow and develop, while ensuring that the unique qualities of all schools are maintained.

Meadgate Primary School has continued to improve and is now consistently attaining higher than the national averages. We now see a vastly different school than the one we first witnessed in May 2013, and credit must be paid to all the staff, children and governors involved for their determination to bring about school improvement. Strong links, interactive work, and regular monitoring with The Eveleigh LINK Academy Trust has ensured that the whole school community has maintained momentum to support teaching and learning throughout the entire school.

Purleigh Primary continues to develop a strong and creative curriculum which has seen many external links and outside learning opportunities. The curriculum, linked to a strong moral purpose and outstanding leadership, has continued to attract parents/carers from a wide area. Standards of teaching are consistently high and staff from other schools have taken advantage of this to improve standards.

Maltese Road Primary School was sponsored in March 2015 and the academy trust opened the school in September 2015 after a considerable amount of work between January 2015 and August 2015. Pupil numbers continue to grow and the school is oversubscribed three times over. During 2017 – 2018 the school taught its first cohort of Year 6 pupils and standard were higher than the national averages. During the year the school was inspected by Ofsted and achieved a 'Good' overall grading with an 'Outstanding' grading for the early years foundation stage and pupils' personal development and wellbeing.

Maylandsea Primary School joined the trust on 1st October 2015 and has gone from strength to strength. Staff have been open to collaborative working with other trust schools and the senior leadership team are playing a big role in the development of the trust. The quality of teaching remains high which has led to high outcomes for pupils. Governance remains a strength of the school. The school was inspected by Ofsted during the year and achieved a good outcome once again. It was recognised as a strongly improving school and one that may be outstanding.

Larkrise Primary has seen a big shift in direction and is now a school where teaching and leadership are a real strength. Credit must be paid to all the staff, children and governors involved for their determination to bring about school improvement. Strong links, interactive work, and regular monitoring with The Eveleigh LINK Academy Trust has ensured that the whole school community has maintained momentum to support teaching and learning throughout the entire school which has ensured that outcomes are positive across the school for the second year in succession.

The Trustees look forward to continued success and the development of the MAT as progress into 2017 – 2018 and beyond.

The Eveleigh LINK Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Achievements and performance

All schools have continued to make progress over the period 1st September 2017 to 31st August 2018. Despite new tests being introduced in 2016, which are more challenging, all the schools within the MAT attained well again in 2017 - 2018 and the percentage of children reaching the required standard in reading, writing and maths was higher than the national averages throughout the trust. Other assessments across the schools indicate that children in the EYFS, children who took the Year 1 phonic check and the Key Stage One assessments continue to attain well and achieve well compared to other schools. Pupils on roll at Purleigh and Maylandsea continue to remain high while Meadgate's pupils on roll has risen to 205. Maltese Road currently has 170 pupils and will continue to grow by 40-50 children during the next twelve months until it reaches full capacity. Larkrise Primary has 170 pupils on roll but 30 pupils joined the school in September 2018. The impact of this is that the trust will receive more funding than in previous years as a result of pupil led funding.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the MAT has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. The board of trustees is aware that, like many other trusts and local authority controlled schools, they are not alone in having to manage the finances of the trust carefully. During the next twelve months the trust intends to make many staffing decisions that will enable the trust to not only run more efficiently, but to make financial savings across each academy.

Key performance indicators:

The MAT's key financial performance indicators are

Pupil to staff ratio across the MAT - In 2017 – 2018 our pupil to all staff ratio was 9:1. Our pupil to teacher ratio was 22:1. In 2016 – 2017 our pupil to all staff ratio was 8:1 with a teacher ratio of 22:1.

Comparing staff costs against local and national benchmarks – Using national benchmarking data we spent £4.32 million on staff and were 3rd on the list of five similar size MATs.

The number of support staff who are registered with the Local Government Pension Scheme – In 2017 – 2018, 110 members of staff were registered with the local government pension scheme. In 2016 – 2017, 120 members of staff were registered on the local government pension scheme.

Review of activities

The MAT strives to ensure that pupils achieve their potential academically and via a range of extra-curricular activities. The MAT is committed to ensuring good staff professional development to help support pupil achievement as does a rich PPA curriculum and a considered use of pupil premium funding.

Financial review

The surplus for the Academy Trust in the period to 31 August 2018 was £79,012.

At the 31 August 2018 the net book value of the fixed assets was £5,740,581 and movement in tangible assets are shown in note 12 to the financial statements. The assets were used for providing education and the associated support services to the children of the Academy.

The Eveleigh LINK Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Financial and risk management objectives and policies

The system of internal controls is designed to manage risk to a reasonable level. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the MAT's policies, aims and objectives.

Principal risks and uncertainties

The Trustees assess the risks and uncertainties facing the academy as follows:

- Staff recruitment and retention: possibly the biggest single risk to the academy would lie in the failure to recruit and retain staff. Trustees do not consider there to be any immediate threat of this, and consider that the recent conversion to academy status and the subsequent increased opportunities offered by a MAT will assist recruitment and retention.
- Falling roll: this would seem unlikely giving the schools' recent academic performance.
- Debtors: the schools have no significant debtors.

Reserves policy

The Trustees have determined that the appropriate level of free cash reserves should be equivalent of one month's gross salary expenditure and an amount for emergency maintenance. At the balance sheet date the amount of unrestricted reserves was £652,737. The reason for this would be to provide sufficient working capital to cover delays between spending and receipt of grants.

The Governors are content that the net liability on the restricted reserve relating to the pension scheme deficit will not crystallize in the foreseeable future and it is anticipated that employee and employer contributions will continue to offset these deficits in the coming year.

At the balance sheet date, the charitable company had restricted reserves, excluding the pension scheme deficit, of £128,742.

The principal sources of funding and how expenditure has supported the key objectives of the academy trust

The principal source of funding for the MAT is the general annual grant (GAG) funding that it receives from the Education and Skills Funding Agency (ESFA). The majority of this funding is spent on salaries and supports costs to deliver the MAT's primary objective of the provision of education. In the year to 31 August 2018 the MAT received £3.91 million GAG funding which is an increase of £0.10 million from 2016/17. This is primarily due to the increase in numbers at Maltese Road Primary School.

The trust was also successful in securing capital projects totalling over £1 million pounds within three of its academies.

Investment policy

Greater consideration is given to the security of MAT funds than to potential investment returns due to the risks involving the investment of public money. Regular reviews are undertaken regarding the revisions of accounts.

Fundraising

Any fundraising income and donations are received from parents or other parties connected to the MAT. The MAT does not use the services of professional fundraisers and there have not been any complaints regarding fundraising.

The Eveleigh LINK Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Plans for future periods

The MAT will continue striving to improve the levels of performance of pupils at all levels and will work to maintain current demand for places. The Trustees will work to enhance and expand facilities and provision to help raise standards and improve the quality of provision and learning environments. It is hoped that the MAT will grow in the next academic year to incorporate further schools.

Auditor

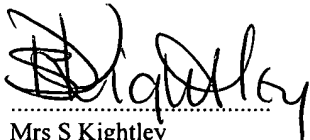
In so far as the Trustees are aware:

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

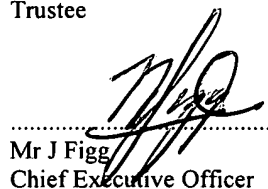
Reappointment of auditor

The auditor, Edmund Carr LLP, have indicated its willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the board of trustees on 13 December 2018 and signed on its behalf by:



Mrs S Kightley
Trustee



Mr J Figg
Chief Executive Officer

The Eveleigh LINK Academy Trust

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Eveleigh LINK 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 trustees has delegated the day-to-day responsibility to the 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 Eveleigh LINK Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance reviews

The Members for the Academy Trust have formally met twice during the year. Attendance at the meetings during the year was as follows:

Mr C Day (2 out of 2)
Mr R Hockley (2 out of 2)
Mrs Y Norburne (2 out of 2)
Mr M Lewin (2 out of 2)
Mr K Bannister (1 out of 1)

The Trustees for the Academy have formally met five times during the year. Attendance at the meetings during the year was as follows:

Mr J Figg (5 out of 5)
Mr M Jackson (5 out of 5)
Mrs S Kightley (5 out of 5)
Miss E Padfield (4 out of 5)
Mrs J Robson (3 out of 5)
Dr N Rudman (5 out of 5)
Mrs G Buschor (3 out of 5)
Mr R Baker (2 out of 5)
Mr S Hallett (3 out of 5)
Miss Michelle Landy (0 out of 5)

The Eveleigh LINK Academy Trust

Governance Statement (continued)

Review of value for money

As accounting officer the trustee 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust considers it has delivered improved value for money during the year. The following are examples:

- The MAT is making savings in excess of £50k by employing staff at two schools rather than one, for example Executive Headteachers, Site Managers and School Business Managers.
- The MAT saved 10% for each academy by buying in bulk for NPS surveyors, which amounted to £2k this year.
- The MAT switched HR provider during the year, which should amount to a saving of approximately £5k a year across the MAT.
- The MAT has also taken advantage of a bulk buying discount for HR, catering, health and safety and governor services, which provides savings of approximately £6k a year.

Audit Committee

The Audit Committee is a sub-committee of the main board of trustees. Its purpose is to be an advisory board with some executive powers, it is authorised to obtain independent professional advice if necessary, request reports through the accounting officer, and report to the Trustees. Attendance at meetings during the year was as follows:

| Trustees who form the audit committee | Meetings attended | Out of a possible |
|--|--------------------------|--------------------------|
| Mr R Baker | 2 | 3 |
| Mrs G Buschor | 2 | 3 |
| Mr S Hallet | 0 | 3 |
| Mr M Jackson | 3 | 3 |
| Mrs S Kightley | 3 | 3 |
| Mrs J Robson | 2 | 3 |

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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Eveleigh LINK Academy Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

The Eveleigh LINK Academy Trust

Governance Statement (continued)

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 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 trustees.

The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees.
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However, the Trustees have appointed SBM Services (UK) Limited as responsible officer (RO) to perform additional checks.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Twice a year, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

SBM Services (UK) Limited conducted two RO audits for each school in the MAT during 2017/18. Copies of the reports have been sent to the Trustees and Chair of Governors.

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:

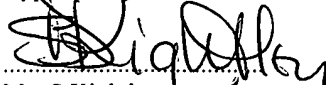
- the work of the responsible officer ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

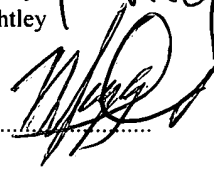
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Eveleigh LINK Academy Trust

Governance Statement (continued)

Approved by order of the members of the board of trustees on 13 December 2018 and signed on its behalf by:


.....
Mrs S Kightley
Trustee


.....
Mr J Figg
Chief Executive Officer


The Eveleigh LINK Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Eveleigh LINK Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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



.....
Mr J Figg
Accounting officer

13 December 2018

The Eveleigh LINK Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

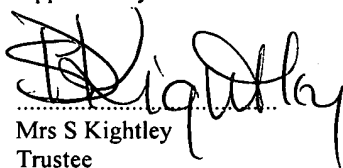
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 13 December 2018 and signed on its behalf by:


Mrs S Kightley
Trustee

The Eveleigh LINK Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Eveleigh LINK Academy Trust

Opinion

We have audited the financial statements of The Eveleigh LINK Academy Trust (the 'Academy') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and 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.

The Eveleigh LINK Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Eveleigh LINK Academy Trust (continued)

We have nothing to report in this regard.

Opinion 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 14], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.

The Eveleigh LINK Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Eveleigh LINK Academy Trust (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Academy's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Stewart Martin (Senior Statutory Auditor)
For and on behalf of Edmund Carr LLP, Statutory Auditor

146 New London Road
Chelmsford
Essex
CM2 0AW

13 December 2018

The Eveleigh LINK Academy Trust

Independent Reporting Accountant's Report on Regularity to The Eveleigh LINK Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 17 December 2013 and further to the requirements of the Education & 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 Eveleigh LINK Academy Trust during the period 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 Eveleigh LINK Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to The Eveleigh LINK Academy Trust 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 Eveleigh LINK Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the board of trustees's funding agreement with the Secretary of State for Education dated 28 March 2014 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 year 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the board of trustees and other evidence made available to us, relevant to our consideration of regularity
- testing a sample of payments and receipts to documentation
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the accounting officer.

The Eveleigh LINK Academy Trust

Independent Reporting Accountant's Report on Regularity to The Eveleigh LINK Academy Trust and the Education and Skills Funding Agency (continued)

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 year 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.



Mr Stewart Martin

For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road
Chelmsford
Essex
CM2 0AW

13 December 2018

The Eveleigh LINK Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | 2017/18 Total £ |
|---|------|----------------------------|-------------------------------------|---|-----------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | 2 | 380 | 19,734 | 1,931,576 | 1,951,690 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy trust's educational operations | 3 | - | 4,814,016 | - | 4,814,016 |
| Other trading activities | 4 | 160,333 | 84,211 | - | 244,544 |
| Investments | 5 | 730 | - | - | 730 |
| Total | | 161,443 | 4,917,961 | 1,931,576 | 7,010,980 |
| Expenditure on: | | | | | |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | 7 | 90,243 | 5,403,178 | 1,894,547 | 7,387,968 |
| Net income/(expenditure) | | 71,200 | (485,217) | 37,029 | (376,988) |
| Transfers between funds | | 50,799 | (85,330) | 34,531 | - |
| Other recognised gains and losses | | | | | |
| Actuarial gains on defined benefit pension schemes | 22 | - | 456,000 | - | 456,000 |
| Net movement in funds/(deficit) | | 121,999 | (114,547) | 71,560 | 79,012 |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2017 | | 530,738 | (1,607,711) | 5,917,700 | 4,840,727 |
| Total funds/(deficit) carried forward at 31 August 2018 | | 652,737 | (1,722,258) | 5,989,260 | 4,919,739 |

The Eveleigh LINK Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | 2016/17 Total £ |
|--|------|----------------------------|-------------------------------------|---|-----------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | 2 | 618 | 31,757 | 1,436,913 | 1,469,288 |
| Transfer from local authority on conversion | | 58,345 | - | 1,017,000 | 1,075,345 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy trust's educational operations | 3 | - | 4,718,273 | - | 4,718,273 |
| Other trading activities | 4 | 156,335 | 76,094 | - | 232,429 |
| Investments | 5 | 776 | - | - | 776 |
| Total | | 216,074 | 4,826,124 | 2,453,913 | 7,496,111 |
| Expenditure on: | | | | | |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | 7 | 114,144 | 4,923,936 | 1,608,515 | 6,646,595 |
| Net income/(expenditure) | | 101,930 | (97,812) | 845,398 | 849,516 |
| Transfers between funds | | 45,822 | (78,397) | 32,575 | - |
| Other recognised gains and losses | | | | | |
| Opening defined benefit pension scheme liability | | - | (417,000) | - | (417,000) |
| Actuarial gains on defined benefit pension schemes | 22 | - | 1,104,000 | - | 1,104,000 |
| Net movement in funds | | 147,752 | 510,791 | 877,973 | 1,536,516 |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2016 | | 382,986 | (2,118,502) | 5,039,727 | 3,304,211 |
| Total funds/(deficit) carried forward at 31 August 2017 | | 530,738 | (1,607,711) | 5,917,700 | 4,840,727 |

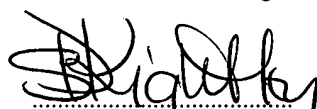
The Eveleigh LINK Academy Trust

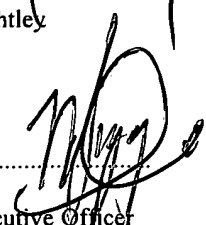
(Registration number: 08823327)

Balance Sheet as at 31 August 2018

| | Note | 2018 £ | 2017 £ |
|--|------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 5,740,581 | 5,884,674 |
| Current assets | | | |
| Debtors | 13 | 383,393 | 323,123 |
| Cash at bank and in hand | | <u>1,314,743</u> | <u>1,546,665</u> |
| | | 1,698,136 | 1,869,788 |
| Creditors: Amounts falling due within one year | 14 | <u>(667,978)</u> | <u>(917,735)</u> |
| Net current assets | | <u>1,030,158</u> | <u>952,053</u> |
| Total assets less current liabilities | | <u>6,770,739</u> | <u>6,836,727</u> |
| Net assets excluding pension liability | | 6,770,739 | 6,836,727 |
| Pension scheme liability | 22 | <u>(1,851,000)</u> | <u>(1,996,000)</u> |
| Net assets including pension liability | | <u>4,919,739</u> | <u>4,840,727</u> |
| Funds of the Academy: | | | |
| Restricted funds | | | |
| Restricted general fund | | 128,742 | 388,289 |
| Restricted fixed asset fund | | 5,989,260 | 5,917,700 |
| Restricted pension fund | | <u>(1,851,000)</u> | <u>(1,996,000)</u> |
| | | 4,267,002 | 4,309,989 |
| Unrestricted funds | | | |
| Unrestricted general fund | | <u>652,737</u> | <u>530,738</u> |
| Total funds | | <u>4,919,739</u> | <u>4,840,727</u> |

The financial statements on pages 20 to 47 were approved by the Trustees, and authorised for issue on 13 December 2018 and signed on their behalf by:


 Mrs S Kightley
 Trustee


 Mr J Figg
 Chief Executive Officer

The Eveleigh LINK Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2018

| | Note | 2018 £ | 2017 £ |
|---|-------------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 18 | (2,045,898) | 188,652 |
| Cash flows from investing activities | 19 | <u>1,813,976</u> | <u>388,113</u> |
| Change in cash and cash equivalents in the year | | (231,922) | 576,765 |
| Cash and cash equivalents at 1 September | | <u>1,546,665</u> | <u>969,900</u> |
| Cash and cash equivalents at 31 August | 20 | <u><u>1,314,743</u></u> | <u><u>1,546,665</u></u> |

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Eveleigh LINK Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

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

Grants

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

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

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

The academy trust is benefiting from the ESFA's Condition Improvement Fund. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development is occurring on a site the academy trust controls.

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Charitable activities

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

Tangible fixed assets

Assets costing £5,000 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. 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.

| Asset class | Depreciation method and rate |
|---|-------------------------------------|
| Fixture, fittings, equipment and vehicles | 25% straight line |
| Computer & IT equipment | 33.3% straight line |
| Leasehold Property Improvements | 4% straight line |
| Leasehold buildings | 45 years straight line |
| Leasehold land | 125 years straight line |

Liabilities

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

Provisions

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

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

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Leased assets

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

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.

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

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 Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2018. 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.

2 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | 2017/18 Total £ | 2016/17 Total £ |
|-------------------------------|----------------------------|--------------------------|---|-----------------------|-----------------------|
| Other voluntary income | | | | | |
| Capital grants | - | - | 1,847,776 | 1,847,776 | 1,436,913 |
| Other donations | 380 | 19,734 | 83,800 | 103,914 | 32,375 |
| | <u>380</u> | <u>19,734</u> | <u>1,931,576</u> | <u>1,951,690</u> | <u>1,469,288</u> |

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

3 Funding for the Academy Trust's educational operations

| | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|---|--------------------------|--------------------|--------------------|
| DfE/ESFA revenue grants | | | |
| General Annual Grant (GAG) | 3,911,339 | 3,911,339 | 3,814,419 |
| Other DfE/ESFA grants | 599,307 | 599,307 | 662,607 |
| SEN Fund | 252,866 | 252,866 | 220,383 |
| | <u>4,763,512</u> | <u>4,763,512</u> | <u>4,697,409</u> |
| Other government grants | | | |
| Other Local authority grants | 38,588 | 38,588 | 12,094 |
| Non-government grants and other income | | | |
| Staff absences insurance reimbursement | 11,916 | 11,916 | 8,770 |
| Total grants | <u>4,814,016</u> | <u>4,814,016</u> | <u>4,718,273</u> |

4 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | 2017/18 Total £ | 2016/17 Total £ |
|--------------------|----------------------------|--------------------------|-----------------------|-----------------------|
| Hire of facilities | 22,677 | - | 22,677 | 21,171 |
| Catering income | 21,277 | 84,211 | 105,488 | 99,478 |
| Trips | 102,202 | - | 102,202 | 83,781 |
| Other sales | 14,177 | - | 14,177 | 27,999 |
| | <u>160,333</u> | <u>84,211</u> | <u>244,544</u> | <u>232,429</u> |

5 Investment income

| | Unrestricted funds £ | Restricted funds £ | 2017/18 Total £ | 2016/17 Total £ |
|---------------------|----------------------------|--------------------------|-----------------------|-----------------------|
| Short term deposits | <u>730</u> | <u>-</u> | <u>730</u> | <u>776</u> |

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure

| | Non Pay Expenditure | | | 2017/18 | 2016/17 |
|---|----------------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| | Staff costs | Premises | Other costs | Total | Total |
| | £ | £ | £ | £ | £ |
| Academy's educational operations | | | | | |
| Direct costs | 3,347,239 | - | 377,151 | 3,724,390 | 3,427,397 |
| Allocated support costs | <u>1,046,839</u> | <u>2,240,375</u> | <u>376,364</u> | <u>3,663,578</u> | <u>3,219,198</u> |
| | <u><u>4,394,078</u></u> | <u><u>2,240,375</u></u> | <u><u>753,515</u></u> | <u><u>7,387,968</u></u> | <u><u>6,646,595</u></u> |

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure (continued)

Net incoming/outgoing resources for the year include:

| | 2018 | 2017 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Operating leases - other leases | 8,859 | 8,088 |
| Audit fee | 21,500 | 20,500 |
| Other audit services | 3,000 | 2,000 |
| Depreciation | <u>178,623</u> | <u>170,497</u> |

7 Charitable activities

| | Total 2018 | Total 2017 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Direct costs - educational operations | | |
| Teaching and educational support staff costs | 3,347,239 | 3,045,935 |
| Educational supplies | 272,942 | 275,916 |
| Staff development | 23,301 | 26,763 |
| Other direct costs | <u>80,908</u> | <u>78,783</u> |
| | <u>3,724,390</u> | <u>3,427,397</u> |
| Support costs - educational operations | | |
| Support staff costs | 735,839 | 689,599 |
| Defined benefit pension scheme obligation inherited | 311,000 | 323,000 |
| Depreciation | 178,623 | 170,497 |
| Maintenance of premises and equipment | 1,871,906 | 1,499,161 |
| Cleaning | 38,691 | 49,417 |
| Rent, rates and utilities | 91,089 | 118,969 |
| Insurance | 60,066 | 62,399 |
| Catering | 117,512 | 110,091 |
| Bank interest and charges | 854 | 810 |
| Professional fees | 132,714 | 117,232 |
| Other support costs | <u>125,284</u> | <u>78,023</u> |
| | <u>3,663,578</u> | <u>3,219,198</u> |
| | <u><u>7,387,968</u></u> | <u><u>6,646,595</u></u> |

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

7 Charitable activities (continued)

| | Educational operations £ | 2017/18 Total £ | 2016/17 Total £ |
|----------------------------------|---|--------------------------------|--------------------------------|
| Analysis of support costs | | | |
| Support staff costs | 1,046,839 | 1,046,839 | 1,012,599 |
| Depreciation | 178,623 | 178,623 | 170,497 |
| Premises costs | 2,061,752 | 2,061,752 | 1,729,946 |
| Other support costs | 376,364 | 376,364 | 306,156 |
| Total support costs | 3,663,578 | 3,663,578 | 3,219,198 |

8 Staff

Staff costs

| | 2018 £ | 2017 £ |
|--|-------------------|-------------------|
| Staff costs during the year were: | | |
| Wages and salaries | 3,227,972 | 2,961,737 |
| Social security costs | 241,911 | 223,270 |
| Pension costs | 795,638 | 816,085 |
| | 4,265,521 | 4,001,092 |
| Supply teacher costs | 58,557 | 57,442 |
| | 4,324,078 | 4,058,534 |

Staff numbers

The average number of persons employed by the academy trust during the year by headcount was as follows:

| | 2017/18 No | 2016/17 No |
|------------------------------|-----------------------|-----------------------|
| Charitable Activities | | |
| Teachers | 53 | 43 |
| Administration and support | 135 | 118 |
| Management | 9 | 9 |
| | 197 | 170 |

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff (continued)

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

| | 2018 | 2017 |
|---------------------|-------------|-------------|
| | No | No |
| £60,001 - £70,000 | 1 | - |
| £80,001 - £90,000 | - | 1 |
| £90,001 - £100,000 | 2 | - |
| £110,001 - £120,000 | - | 1 |

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £992,200 (2017: £978,800).

9 Central services

The academy trust has provided the following central services to its academies during the year:

- Administrative support.

The academy trust charges for these services on the following basis:

- During the year the trust charged each academy 1.5% of their pupil led funding.

The actual amounts charged during the year were as follows:

| | 2018 |
|-----------------------------------|---------------|
| | £ |
| Purleigh Community Primary School | 11,665 |
| Meadgate Primary School | 11,921 |
| Maltese Road Primary School | 9,244 |
| Maylandsea Primary School | 14,344 |
| Larkrise Primary School | 11,360 |
| | <u>58,534</u> |

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Mr J Figg (Executive Headteacher and CEO):

Remuneration: £95,000 - £100,000 (2017 - £110,000 - £115,000)

Employer's pension contributions: £15,000 - £20,000 (2017 - £15,000 - £20,000)

Miss E Padfield (Executive Director):

Remuneration: £35,000 - £40,000 (2017 - £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £5,000 - £10,000)

Dr N Rudman , Maylandsea (Executive Headteacher):

Remuneration: £90,000 - £95,000 (2017 - £85,000 - £90,000)

Employer's pension contributions: £10,000 - £15,000 (2017 - £10,000 - £15,000)

Other related party transactions involving the trustees are set out in note 23.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 per academy on any one claim.

The cost of this insurance is included in the total insurance cost.

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

12 Tangible fixed assets

| | Leasehold land and buildings £ | Plant and equipment £ | Leasehold Property Improvements £ | Total £ |
|-----------------------|---|-----------------------------|--|------------------|
| Cost | | | | |
| At 1 September 2017 | 5,876,231 | 115,194 | 245,905 | 6,237,330 |
| Additions | - | 34,530 | - | 34,530 |
| At 31 August 2018 | <u>5,876,231</u> | <u>149,724</u> | <u>245,905</u> | <u>6,271,860</u> |
| Depreciation | | | | |
| At 1 September 2017 | 284,118 | 44,574 | 23,964 | 352,656 |
| Charge for the year | <u>127,448</u> | <u>41,339</u> | <u>9,836</u> | <u>178,623</u> |
| At 31 August 2018 | <u>411,566</u> | <u>85,913</u> | <u>33,800</u> | <u>531,279</u> |
| Net book value | | | | |
| At 31 August 2018 | <u>5,464,665</u> | <u>63,811</u> | <u>212,105</u> | <u>5,740,581</u> |
| At 31 August 2017 | <u>5,592,113</u> | <u>70,620</u> | <u>221,941</u> | <u>5,884,674</u> |

13 Debtors

| | 2018 £ | 2017 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 19,437 | 5,107 |
| VAT recoverable | 130,252 | 174,826 |
| Prepayments | 77,663 | 74,388 |
| Accrued grant and other income | <u>156,041</u> | <u>68,802</u> |
| | <u>383,393</u> | <u>323,123</u> |

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

14 Creditors: amounts falling due within one year

| | 2018 | 2017 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 68,578 | 375,194 |
| Other taxation and social security | 60,028 | 58,307 |
| Accruals | 382,575 | 227,671 |
| Deferred income | 90,310 | 195,360 |
| Pension scheme creditor | 66,487 | 61,203 |
| | <u>667,978</u> | <u>917,735</u> |

| | 2018 |
|--|------------------|
| | £ |
| Deferred income | |
| Deferred income at 1 September 2017 | 195,360 |
| Resources deferred in the period | 90,310 |
| Amounts released from previous periods | <u>(195,360)</u> |
| Deferred income at 31 August 2018 | <u>90,310</u> |

At the balance sheet date the academy trust was holding funds received in advance from the Education and Skills Funding Agency for universal infant free school meals and rates relief.

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds

| | Balance at 1 September 2017 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2018 £ |
|---|--|----------------------------|----------------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 388,289 | 3,911,339 | (4,085,556) | (85,330) | 128,742 |
| Other DfE/ESFA grants | - | 852,173 | (852,173) | - | - |
| Other local authority funds | - | 38,589 | (38,589) | - | - |
| Staff absences insurance reimbursement | - | 11,916 | (11,916) | - | - |
| Other donations and income | - | 103,944 | (103,944) | - | - |
| | <u>388,289</u> | <u>4,917,961</u> | <u>(5,092,178)</u> | <u>(85,330)</u> | <u>128,742</u> |
| Restricted fixed asset funds | | | | | |
| DfE/ESFA capital grants | 223,839 | 1,847,776 | (1,640,545) | - | 431,070 |
| Capital expenditure from GAG | 98,002 | - | (40,878) | 34,531 | 91,655 |
| Transfer from local authority on conversion | 5,595,859 | - | (129,324) | - | 5,466,535 |
| Other donations | - | 83,800 | (83,800) | - | - |
| | <u>5,917,700</u> | <u>1,931,576</u> | <u>(1,894,547)</u> | <u>34,531</u> | <u>5,989,260</u> |
| Restricted pension funds | | | | | |
| Pension reserve | <u>(1,996,000)</u> | <u>-</u> | <u>(311,000)</u> | <u>456,000</u> | <u>(1,851,000)</u> |
| Total restricted funds | 4,309,989 | 6,849,537 | (7,297,725) | 405,201 | 4,267,002 |
| Unrestricted funds | | | | | |
| Unrestricted general funds | <u>530,738</u> | <u>161,443</u> | <u>(90,243)</u> | <u>50,799</u> | <u>652,737</u> |
| Total funds | <u>4,840,727</u> | <u>7,010,980</u> | <u>(7,387,968)</u> | <u>456,000</u> | <u>4,919,739</u> |

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

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

| | Balance at 1 September 2016 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2017 £ |
|--|--|----------------------------|----------------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 241,498 | 3,979,419 | (3,754,231) | (78,397) | 388,289 |
| Other DfE/ESFA grants | - | 594,753 | (594,753) | - | - |
| Other local authority funds | - | 135,331 | (135,331) | - | - |
| Staff absences insurance reimbursement | - | 8,770 | (8,770) | - | - |
| Other donations and income | - | 107,851 | (107,851) | - | - |
| | <u>241,498</u> | <u>4,826,124</u> | <u>(4,600,936)</u> | <u>(78,397)</u> | <u>388,289</u> |
| Restricted fixed asset funds | | | | | |
| DfE/ESFA capital grants | 233,365 | 1,436,913 | (1,446,439) | - | 223,839 |
| Capital expenditure from GAG | 98,179 | - | (32,752) | 32,575 | 98,002 |
| Transfer from local authority on conversion | <u>4,708,183</u> | <u>1,017,000</u> | <u>(129,324)</u> | <u>-</u> | <u>5,595,859</u> |
| | 5,039,727 | 2,453,913 | (1,608,515) | 32,575 | 5,917,700 |
| Restricted pension funds | | | | | |
| Pension reserve | <u>(2,360,000)</u> | <u>-</u> | <u>(323,000)</u> | <u>687,000</u> | <u>(1,996,000)</u> |
| Total restricted funds | 2,921,225 | 7,280,037 | (6,532,451) | 641,178 | 4,309,989 |
| Unrestricted funds | | | | | |
| Unrestricted general funds | <u>382,986</u> | <u>216,074</u> | <u>(114,144)</u> | <u>45,822</u> | <u>530,738</u> |
| Total funds | <u>3,304,211</u> | <u>7,496,111</u> | <u>(6,646,595)</u> | <u>687,000</u> | <u>4,840,727</u> |

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

| | 2018 |
|---|-------------------------|
| | £ |
| Purleigh Community Primary School | 265,815 |
| Meadgate Primary School | 142,393 |
| Maltese Road Primary School | 153,799 |
| Maylandsea Primary School | 34,370 |
| Larkrise Primary School | 130,190 |
| Central services | <u>54,912</u> |
| Total before fixed assets and pension reserve | 781,479 |
| DfE/ESFA capital grants | 5,989,260 |
| Pension reserve | <u>(1,851,000)</u> |
| Total | <u><u>4,919,739</u></u> |

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

The General Annual Grant (GAG), other DfE funding and local authority funds must be used for the normal running costs of the individual Academy.

The SEN funding represents grants received in order to provide additional teaching resources for children with special learning needs. The cost of these teaching resources has been set against income.

The other donations fund includes income from the PTA donated for specific expenses.

The transfer in the year from restricted general funds to restricted fixed asset funds of £34,531 relates to fixed assets purchased using GAG funding. The transfer of £50,799 from restricted general funds to unrestricted funds represents the excess of meal income over catering costs in restricted funds on unrestricted catering activities.

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

| | Teaching and Educational Support Staff Costs £ | Other Support Staff Costs £ | Educational Supplies £ | Other Costs (excluding Depreciation) £ | Total 2018 £ | Total 2017 £ |
|---|---|--|---------------------------------------|---|-----------------------------|-----------------------------|
| Purleigh Community Primary School | 633,550 | 212,171 | 45,851 | 713,250 | 1,604,822 | 1,422,972 |
| Meadgate Primary School | 722,235 | 138,968 | 46,731 | 474,626 | 1,382,560 | 1,492,415 |
| Maltese Road Primary School | 536,319 | 147,978 | 38,444 | 128,646 | 851,387 | 613,193 |
| Maylandsea Primary School | 825,644 | 257,486 | 52,764 | 710,522 | 1,846,416 | 1,284,559 |
| Larkrise Primary School | 601,490 | 179,111 | 51,354 | 547,185 | 1,379,140 | 1,501,060 |
| Central services | <u>28,002</u> | <u>41,125</u> | <u>37,798</u> | <u>38,095</u> | <u>145,020</u> | <u>161,899</u> |
| Academy Trust | <u><u>3,347,240</u></u> | <u><u>976,839</u></u> | <u><u>272,942</u></u> | <u><u>2,612,324</u></u> | <u><u>7,209,345</u></u> | <u><u>6,476,098</u></u> |

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------|----------------------------|----------------------------------|---|------------------|
| Tangible fixed assets | - | - | 5,740,581 | 5,740,581 |
| Current assets | 652,737 | 796,720 | 248,679 | 1,698,136 |
| Current liabilities | - | (667,978) | - | (667,978) |
| Pension scheme liability | - | (1,851,000) | - | (1,851,000) |
| Total net assets | <u>652,737</u> | <u>(1,722,258)</u> | <u>5,989,260</u> | <u>4,919,739</u> |

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

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------|----------------------------|----------------------------------|---|------------------|
| Tangible fixed assets | - | - | 5,884,674 | 5,884,674 |
| Current assets | 530,738 | 1,306,024 | 33,026 | 1,869,788 |
| Current liabilities | - | (917,735) | - | (917,735) |
| Pension scheme liability | - | (1,996,000) | - | (1,996,000) |
| Total net assets | <u>530,738</u> | <u>(1,607,711)</u> | <u>5,917,700</u> | <u>4,840,727</u> |

17 Commitments under operating leases

Operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2018 £ | 2017 £ |
|--|---------------|---------------|
| Amounts due within one year | 8,368 | 7,869 |
| Amounts due between one and five years | <u>6,294</u> | <u>15,278</u> |
| | <u>14,662</u> | <u>23,147</u> |

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

| | 2017/18 £ | 2016/17 £ |
|---|--------------------|----------------|
| Net (expenditure)/income | (376,988) | 849,516 |
| Depreciation | 178,623 | 170,497 |
| Capital grants from DfE and other capital income | (1,847,776) | (1,436,913) |
| Interest receivable | (730) | (776) |
| Defined benefit pension scheme obligation inherited | 311,000 | 323,000 |
| Increase in debtors | (60,270) | (237,880) |
| (Decrease)/increase in creditors | (249,757) | 521,208 |
| Net cash (used in)/provided by Operating Activities | <u>(2,045,898)</u> | <u>188,652</u> |

19 Cash flows from investing activities

| | 2018 £ | 2017 £ |
|---|------------------|------------------|
| Dividends, interest and rents from investments | 730 | 776 |
| Purchase of tangible fixed assets | (34,530) | (32,576) |
| Capital funding received from sponsors and others | <u>1,847,776</u> | <u>1,436,913</u> |
| Net cash provided by investing activities | <u>1,813,976</u> | <u>1,405,113</u> |

20 Analysis of cash and cash equivalents

| | 2018 £ | 2017 £ |
|---------------------------------|------------------|------------------|
| Cash at bank and in hand | <u>1,314,743</u> | <u>1,546,665</u> |
| Total cash and cash equivalents | <u>1,314,743</u> | <u>1,546,665</u> |

21 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.

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

22 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £66,487 (2017 - £61,203) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

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.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 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
- 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 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

22 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £302,003 (2017: £280,037).

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

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

Local government pension schemes

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 Eveleigh LINK Academy Trust

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £322,000 (2017 - £229,000), of which employer's contributions totalled £254,000 (2017 - £170,000) and employees' contributions totalled £68,000 (2017 - £59,000). The agreed contribution rates for future years are per cent for employers and per cent for employees. The scheme is managed by .

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

Principal actuarial assumptions

| | 2018 % | 2017 % |
|--|-------------|-------------|
| Rate of increase in salaries | 3.80 | 4.20 |
| Rate of increase for pensions in payment/inflation | 2.30 | 2.70 |
| Discount rate for scheme liabilities | 2.70 | 2.60 |
| Inflation assumptions (CPI) | 2.30 | 2.70 |
| RPI increases | <u>3.30</u> | <u>3.60</u> |

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

| | 2018 | 2017 |
|------------------------------|--------------|--------------|
| Retiring today | | |
| Males retiring today | 22.30 | 22.20 |
| Females retiring today | 24.80 | 24.70 |
| Retiring in 20 years | | |
| Males retiring in 20 years | 24.50 | 24.30 |
| Females retiring in 20 years | <u>27.10</u> | <u>27.00</u> |

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

22 Pension and similar obligations (continued)

Sensitivity analysis

| | 2018 | 2017 |
|--|-----------------|-----------------|
| | £'000 | £'000 |
| Discount rate +0.1% | 3,263.00 | 3,042.00 |
| Discount rate -0.1% | 3,429.00 | 3,197.00 |
| Mortality assumption – 1 year increase | 3,457.00 | 3,223.00 |
| Mortality assumption – 1 year decrease | 3,239.00 | 3,018.00 |
| CPI rate +0.1% | 3,354.00 | 3,186.00 |
| CPI rate -0.1% | <u>3,338.00</u> | <u>3,053.00</u> |

The academy's share of the assets in the scheme were:

| | 2018 | 2017 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Equities | 952,000 | 731,000 |
| Gilts | 80,000 | 70,000 |
| Other bonds | 87,000 | 44,000 |
| Property | 134,000 | 110,000 |
| Cash | 51,000 | 34,000 |
| Other | <u>191,000</u> | <u>134,000</u> |
| Total market value of assets | <u>1,495,000</u> | <u>1,123,000</u> |

The actual return on scheme assets was £76,000 (2017 - £121,000).

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

22 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

| | 2017/18 | 2016/17 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Current service cost | 516,000 | 472,000 |
| Interest income | (33,000) | (17,000) |
| Interest cost | 82,000 | 77,000 |
| Total amount recognized in the SOFA | <u>565,000</u> | <u>532,000</u> |

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

| | 2017/18 | 2016/17 |
|------------------------|------------------|------------------|
| | £ | £ |
| At start of period | 3,119,000 | 3,492,000 |
| Current service cost | 516,000 | 472,000 |
| Interest cost | 82,000 | 77,000 |
| Employee contributions | 69,000 | 58,000 |
| Actuarial (gain)/loss | (413,000) | (919,000) |
| Benefits paid | <u>(27,000)</u> | <u>(61,000)</u> |
| At 31 August | <u>3,346,000</u> | <u>3,119,000</u> |

Changes in the fair value of academy's share of scheme assets:

| | 2017/18 | 2016/17 |
|------------------------|------------------|------------------|
| | £ | £ |
| At start of period | 1,123,000 | 715,000 |
| Interest income | 33,000 | 17,000 |
| Actuarial gain/(loss) | 43,000 | 185,000 |
| Employer contributions | 254,000 | 209,000 |
| Employee contributions | 69,000 | 58,000 |
| Benefits paid | <u>(27,000)</u> | <u>(61,000)</u> |
| At 31 August | <u>1,495,000</u> | <u>1,123,000</u> |

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Eveleigh LINK Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

23 Related party transactions (continued)

Income related party transactions

During the year the academy made the following related party transactions:

Little Nipperz Limited

(The director of Little Nipperz Limited is also a Governor of Maylandsea Primary School)

Little Nipperz Limited rents the pre-school buildings at both Maylandsea Primary School and Maltese Road Primary School. During the year Maylandsea Primary School received rent of £4,920 (2017: £4,920) and Maltese Road Primary School received rent of £4,800 (2017: £nil) from Little Nipperz Limited. Maltese Road Primary School also received £1,915 (2017: £nil) for the provision of meals for children to Little Nipperz Limited..