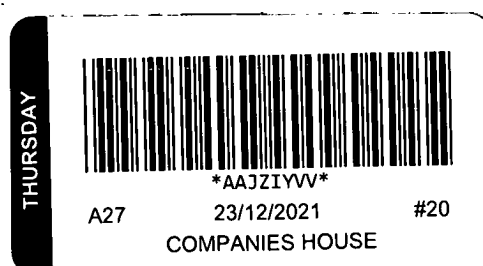


The Eden Academy

Annual Report and Financial Statements

For the year ended 31 August 2021

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



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

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

Directors / Barry Nolan (Chair) ¹
Trustees James Clarke (Deputy-Chair to 6 October 2021) ²
 Victoria Collis (Deputy-Chair from 6 October 2021)
 Mary Canavan
 Karen Deacon
 Brian Eaton ¹
 Emily Ellington
 Mark Greenwood ³
 Jane Inglese
 Mariangela Ladu ⁴
 Angela St John

Company Secretary and Clerk to the Board Keith Holroyd

¹ Member of the Finance Committee during 2020/21, continuing into 2021-22

² Member and Chair of the Finance Committee during 2020/21

³ Member and Chair of the Finance Committee for 2021-22

⁴ Member of the Finance Committee during 2020/21, continuing into 2021-22

The Eden Academy
Reference and Administrative Information (continued)

Senior Leadership Team

Chief Executive Officer (CEO) and Accounting Officer	Susan Douglas
Director for Academy Development	John Ayres (until 30 September 2021)
Director for Central Services and Schools	Paul Van Walwyk
Director of Finance and Operations	Sudhi Pathak

Headteacher of Alexandra School and Executive Head of Pentland Field School	Perdy Buchanan-Barrow
Headteacher of Grangewood School	Liz Edwards^
Headteacher of Hexham Priory School	Liz Davison
Headteacher of James Rennie School	Kris Williams
Headteacher of Moorcroft School and Executive Head of RNIB Sunshine House School	Andrew Sanders
Head of School, Pentland Field School	Ivan Talbot
Head of School, RNIB Sunshine House School	Mark Fuell

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

The Eden Academy
Reference and Administrative Information (continued)

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

The Eden Academy
Directors' Report (incorporating Strategic report) Year ended 31 August 2021

The Directors of The Eden Academy ('the Academy Trust' or 'the Trust') present their annual report together with the financial statements and the auditor's report and accountant's report of the charitable company for the year to 31 August 2021. The Directors of the Academy Trust for the purposes of company law are also the Trustees for The Eden Academy for the purposes of charity law, and as such, the terms Director and Trustee are used interchangeably within this report. This annual report serves the purposes of a Directors' Report under company law and a Trustees' report under charity law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 45 to 50 of the attached financial statements and comply with the Academy Trust's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal activities

The Eden Academy delivers education to pupils with severe and moderate learning difficulties in the Local Authority area of Hillingdon at Grangewood School, Moorcroft School and Pentland Field School, in the Local Authority area of Harrow at Alexandra School, in Northumberland County Council area at Hexham Priory School and in Cumbria County Council area at James Rennie School. The Eden Academy also had a contractual relationship with the RNIB Sunshine House School in the Local Authority of Hillingdon; with effect from 1 September 2021, the education provision, staff and pupils of those previously a part of Sunshine House School now fall under the direct control of The Eden Academy.

Constitution

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

Members' liability

Each Member of The Eden Academy undertakes to contribute to the assets of the Academy Trust in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a Member (as detailed in the Articles of Association).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors' indemnities

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

Directors

The following Directors were in office during the year ended 31 August 2021 and/or up to the date of approval of this report except where shown.

Directors / Trustees	Appointed / Resigned	Appointing Body
Barry Nolan (Chair)		Members
Mary Canavan		Members
James Clarke		Members
Victoria Collis		Members
Karen Deacon		Members
Brian Eaton		Members
Emily Ellington	Appointed 8 July 2021	Members
Mark Greenwood	Appointed 8 July 2021	Members
Jane Inglese	Appointed 15 June 2021	Members
Mariangela Ladu		Members
Helen Milner	Resigned 31 July 2021	Members
Mirvette Russo	Resigned 5 October 2020	Members
Angela St John		Members

Method of recruitment and appointment or election of Directors

In order to maintain the financial acumen within the Board, the company has a Trustee with responsibility for finance. The Board has also taken a decision to allocate portfolio roles to individual Directors to enable them to have an in-depth knowledge of an area of academy performance and to utilise individual expertise as effectively as possible. As such, the Board has Trustees with responsibility for:

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

- ◆ Free schools project;
- ◆ Marketing and communications;
- ◆ Family engagement;
- ◆ CEO Liaison; and
- ◆ Local Advisory Board Liaison.

New trustee appointments are approved by the Members following a rigorous appointment process. The Academy Trust publicly publishes vacancies through appropriate channels.

Policies and procedures adopted for the induction and training of Directors

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

A detailed induction process is in place for new Trustees.

Organisational structure

An up to date organisation structure can be found in section 5 of the Governance Charter, a copy of which can be found in the Eden Academy website.

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

The role of the CEO

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

Strategic leadership

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The role of the CEO (continued)

Operational and financial management

- ◆ To provide a vision, strategic and operational plans for all staff at The Eden Academy;
- ◆ To ensure strategies are in place to build and motivate teams and develop their capabilities and performance;
- ◆ To ensure that all staff at The Eden Academy understand organisational goals and share a commitment to delivering them;
- ◆ To ensure that the organisation is in a healthy financial position and manages its finances and resources prudently and effectively;
- ◆ To work in close partnership with the Directors and the Senior Leadership Team to ensure clear and robust lines of accountability;
- ◆ To develop and maintain excellent working relations with The Eden Academy Board; and
- ◆ To support The Eden Academy Board so that it fulfils its governance function effectively.

External Communications

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

Policies

The Academy Trust has carried out a review of the current state of play of all policies across The Eden Academy covering all aspects of its work (i.e. finance, personnel, curriculum etc.) to align the best practice across the Academy Trust merging and refining these policies for approval by the Board of Directors.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The role of the Accounting Officer

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

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of The Eden Academy responsible for directing and controlling the Academy Trust comprise the Directors together with the Senior Leadership Team as detailed at page 3. During the year ended 31 August 2021, no individual was remunerated for their services as a Director.

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time

In accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the following information has been provided in respect of Trust employees involved in Trade Union Facility Time activity.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1-50%	5
51-99%	—
100%	—

Percentage of pay bill spent on facility time

Total cost of facility time	£2,279
Total pay bill	£135,369
Percentage of the total pay bill spent on facility time	1.68%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total facility time hours	100.00%
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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships

During the year of report, The Eden Academy had a contractual relationship with the RNIB Sunshine House School, whereby the time of seconded staff members of the Academy Trust are recharged at cost. There is also a fee for administrative time spent by the Academy Trust. With effect from 1 September 2021, the education provision, staff and pupils of those previously a part of Sunshine House School now fall under the direct control of The Eden Academy.

Engagement with employees

Leaders of schools, services and operations consult staff on key areas such as those that need improvement which informs the construction of the associated development plan. In addition, leaders will provide information, including that related to human relations, on matters of concern to them. Key performance indicators are produced as part of the development plan process which are shared with the Senior Leadership Team (SLT) and staff members enabling employee participation in the performance of the organisation. In addition SMI (School Management Information) data is produced on a termly basis which enables employees to track trends over time.

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

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

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

OBJECTIVES AND ACTIVITIES

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

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

Value statements

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

Objectives, strategies and activities

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

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

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

Public Benefit

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

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

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

STRATEGIC REPORT

Achievements and performance

During 2020/21, the coronavirus pandemic continued to disrupt educational settings. Despite this:

- ◆ The Eden Academy has continued to work efficiently and effectively in order to ensure that all children received appropriate education and access to therapies even when they were not in school. It maintained provision for its young people throughout all holiday periods and set up comprehensive services for families including supplying additional equipment and food to those most in need. This was recognised by the Pearson Teaching Awards who awarded the Family Services Team a Silver Award under the category of 'Lockdown Hero'.
- ◆ The Eden Academy continued to move forward with a complex free school project for pupils with severe learning difficulties. This will enable a primary and secondary school to exist in each of the North and South of the London Borough of Hillingdon, fulfilling demand and significantly reducing travel time for many students. As part of this project, the Trust worked towards the RNIB Sunshine House School becoming a full member which involved a TUPE process of all staff as well as the novation of all pupil contracts. This work took place during the Summer Term and was completed on 1 September 2021.
- ◆ The Trust spent time integrating the two schools in the Northern Hub into the workings of the Academy Trust. This focused on (a) developing shared working across the Northern Hub and (b) developing shared working between Hubs.
- ◆ The Trust restructured its Senior Leadership Team appointing a Director for Central Services and Schools who started in September 2020.
- ◆ The Eden Academy set a balanced budget for each school taking account of accumulated reserves brought forward in a financially challenging climate. The funds available to the Academy Trust and the related expenditure have been kept under constant review.
- ◆ Because of delays caused by the COVID-19 pandemic, the Trust adjusted its vision and strategy document that was originally produced by the Board of Trustees in the previous year. This original plan had input from Headteachers, Local Advisory Boards and Service Managers, but its implementation was subsequently delayed. The vision focuses on five core areas and will now be implemented between 2020 and 2023. These areas are:
 - Our team;
 - Our outcomes;
 - Our culture;
 - Our future; and
 - Our reputation.

STRATEGIC REPORT (continued)

Key performance indicators

The Eden Academy has just completed its ninth financial year during which it has consolidated its position. The Board of Trustees have focused on the Academy Trust's cash flow, recovery of income from the new way of working in regards to top-up fees and establishing best practices across the Academy Trust. Commentary on our financial performance for the 2020/21 year and year end position is provided as part of the financial review below.

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

School OFSTED grading

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

Ofsted visits were suspended during the 2020/21 academic year due to the Covid-19 pandemic. However, the Trust was pleased to welcome Ofsted to Grangewood in February 2020 which resulted in a 'Good' judgement (previously judged as 'Requires Improvement' in 2018).

STRATEGIC REPORT (continued)

Key performance indicators (continued)

Student attendance rates

School	Attendance %	Authorised absence %	Unauthorised absence %	Persistent absence % (<90% attendance)
Alexandra	84.3	14.2	1.4	62.96
<i>Harrow comparator</i>	<i>91.3</i>	<i>7.7</i>	<i>1.0</i>	<i>24.7</i>
Grangewood	87.9	9.4	2.8	31.9
Moorcroft	85.4	13.0	1.6	50.5
Pentland Field	91.5	5.1	3.4	22.9
Sunshine House	76.7	22.9	0.9	66.0
<i>Hillingdon comparator</i>	<i>87.9</i>	<i>8.8</i>	<i>3.3</i>	<i>34.0</i>
<i>Outer London comp</i>	<i>89.8</i>	<i>8.0</i>	<i>2.3</i>	<i>31.2</i>
Hexham Priory	81.2	17.9	0.9	#
<i>Northumberland comp</i>	<i>90.8</i>	<i>7.1</i>	<i>2.1</i>	<i>26.2</i>
<i>North-East comparator</i>	<i>90.3</i>	<i>6.7</i>	<i>2.9</i>	<i>26.5</i>
James Rennie	90.0	7.3	2.7	18.0
<i>Cumbria comparator</i>	<i>90.5</i>	<i>9.0</i>	<i>0.5</i>	<i>24.9</i>
<i>North-West comparator</i>	<i>90.5</i>	<i>7.9</i>	<i>2.6</i>	<i>30.1</i>
<i>England</i>	<i>89.8</i>	<i>8.0</i>	<i>2.2</i>	<i>29.6</i>

Note - all comparators are for special schools and relate to 2018/19. No further comparator information is available due to Covid-19.

Persistent absence refers to the percentage of pupils that were not present at school for at least 90% of the time.

Hexham had a new Head and a new office admin staff. This statistic was not recorded so could not be reported for 2020/21.

STRATEGIC REPORT (continued)

Key performance indicators (continued)

Student occupancy

School	On roll	Capacity	% Occupancy
Alexandra	78	80	97.5%
Grangewood	92	90	102.2%
Hexham Priory	113	112	100.9%
James Rennie	146	150	97.3%
Moorcroft	97	95	102.1%
Pentland Field	148	140	105.7%
Sunshine House	50	50	100.0%

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

Number of safeguarding concerns raised

School	Child protection plans		Children-in-need plans		MASH referrals	LADO referrals		Early help	DSLs
	Open	Closed	Open	Closed		Open	Resolved		
Alexandra	1	2	7	3	15	0	0	3	3
Grangewood	2	0	21	0	5	1	1	0	6
Hexham Priory	0	1	45	0	0	0	0	2	3
James Rennie	0	0	0	0	0	0	0	0	0
Moorcroft	1	0	43	0	2	1	1	4	3
Pentland Field	1	1	34	4	6	0	2	0	4
Sunshine House	1	1	20	0	0	0	1	3	10

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

LADO = Local Authority Designated Officer

A small number of pupils are under child protection plan under section 47 of the Children's Act 1989. A greater number are on Children in Need Plans under section 17 of the Children's Act 1989. In a special school this may be because these pupils are in need of additional support due to their special needs. Data was collected in July 2021 and indicates cases still open at this time and cases closed in the course of the academic year.

STRATEGIC REPORT (continued)

Key performance indicators (continued)

Financial KPIs

	Teachers' salaries as % of total actual spend	All staff salaries as % of total actual spend
Alexandra		
2018/19	42%	79%
2019/20	40%	83%
2020/21	38%	75%
Grangewood		
2018/19	26%	83%
2019/20	27%	84%
2020/21	27%	84%
Moorcroft		
2018/19	25%	82%
2019/20	24%	84%
2020/21	28%	84%
Pentland Field		
2018/19	26%	77%
2019/20	29%	84%
2020/21	29%	85%
James Rennie		
2018/19	36%	84%
2019/20	38%	85%
2020/21	36%	81%
Hexham Priory		
2018/19	35%	83%
2019/20	39%	85%
2020/21	39%	84%
Schools Total		
2018/19	32%	81%
2019/20	33%	84%
2020/21	32%	83%

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

STRATEGIC REPORT (continued)

Financial review

The results for the year are shown in the Statement of Financial Activities on page 41.

Income for the year ended 31 August 2021 totalled £21,412k (2020 - £19,827k). The Academy Trust's income was principally derived through a combination of ESFA placement funding and local authority top-up funding. Top up fees from Hillingdon, Northumberland and Cumbria are provided using a banded system based on the needs of each pupil identified through individual Education Health Care Plans. Top up fees from Harrow were negotiated in 2019/20 with new rates taking effect from the start of the 2020/21 financial year. Out of Borough top up fees are negotiated on a case-by-case basis and agreed with each Head and the Director of Finance and Operations. Total income for the year ended 31 August 2021 also included exceptional Covid-19 related funding of £294,000 (2020: £nil) which was all fully expended in year.

Expenditure for the year ended 31 August 2021 totalled £24,038k (2020 - £21,680k). The major part of the Academy Trust's expenditure is in relation to its staff costs which amounted to £19,474k (2020 - £18,412k). In addition, expenditure for the year ended 31 August 2021 also includes an impairment charge of £1,105k in relation to the existing Grangewood estate which is expected to be demolished as part of the free schools project in the summer of 2023 – further details are provided within notes 10 and 18 to the financial statements.

After accounting for the actuarial losses on the Local Government Pension Schemes of £4,695k (2020 – losses of £1,043k), the overall net decrease in funds was £7,321k (2020 – net decrease of £2,896k).

Excluding movements relating to the Academy Trust's fixed assets and the effects of non-cash adjustments made in respect of the LGPS liability, the operational surplus for the year (being equal to the movement on revenue reserves (see 'reserves policy and financial position' below) amounted to £556k (2020 - £513k).

The Trust introduced a new Finance system in April 2021. As discussed in greater detail within the Governance Statement, the implementation resulted in severe disruption for the finance team and for the reporting arrangements in the Academy. Specifically financial reporting, budget reporting and year end reconciliations were not carried out for 5 months. In that period the cash balances, payments out and income received at each school were kept under constant review. Cash balances were broadly in line with forecast cash balances and each school ended the year with a positive cash position.

Reserves policy and financial position

The Academy Trust has ended the year with total reserves of £8,281k (2020 - £15,602k) which comprises the balance on the fixed assets fund of £28,776k (2020 - £29,875k) a restricted income fund balance of £1,664k (2020 - £1,788k), an unrestricted income fund balance of £2,066k (2020 - £1,386k) and the pension deficit fund balance of £24,225k (2020 - £17,447).

STRATEGIC REPORT (continued)

Reserves policy and financial position (continued)

The aggregate of the restricted income fund balance and the unrestricted income fund is £3,730k (2020 - £3,174k) and this is considered to be the free reserves, or revenue reserves, of the Academy Trust available to meet the day-to-day requirements of The Eden Academy. All restricted income funds were from revenue funding and are available for the general purposes of the Academy Trust. The growth in the value of the Academy Trust's free reserves – £556k (2020 - £513k) – is effectively the Academy Trust's operational surplus for the year.

The reserves policy was last approved by the Board in November 2019 and is reviewed every three years. The Academy Trust aims to hold free reserves of between 2% and 6% of income. At the end of August 2021 the level of general reserves were at 18.0% (2020 – 16.3%) of income (excluding conversion balances and capital income). The Trustees acknowledge that the reserves held is in excess of the target level set. However, they also acknowledge that holding additional reserves will be prudent in the short term to cover:

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

Therefore, the Trustees are satisfied with the Academy Trust's reserves position at 31 August 2021.

Eden Academy continues to work with the ESFA to progress the two new planned free schools. Progress has been delayed due to construction issues with the site. The delays have been outside the control of Eden Academy. Regular liaison with DfE is in place. PDG (Project Development Grant) funding has been received in respect of one of the free Schools (Grand Union Village) and additional funding has been requested due to the delays and additional expenditure that will be incurred as a result.

Going concern

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

STRATEGIC REPORT (continued)

Going concern (continued)

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

Investment policy

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

Fundraising

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

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

STRATEGIC REPORT (continued)

Streamlined Energy and Carbon Reporting

The Academy Trust provides the following information concerning its energy usage:

UK greenhouse gas emissions and energy use data	Year ended 31 August 2021	Year ended 31 August 2020
Energy consumption used to calculate emissions (kWh)	3,201,750	2,893,661
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
• Gas consumption	443	397
• Owned transport – mini-buses	2	7
Total scope 1	445	404
<u>Scope 2 emissions in metric tonnes CO₂e</u> Purchased electricity	279	260
<u>Scope 3 emissions in metric tonnes CO₂e</u> Business travel in employee owned vehicles	0	9
Total gross emissions in metric tonnes CO ₂ e	724	664
<u>Intensity ratio</u>		
Tonnes CO ₂ e per pupil	1.05	1.00
<p>Quantification and Reporting Methodology: We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.</p> <p>Intensity measurement: The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.</p> <p>Measures taken to improve energy efficiency:</p> <ul style="list-style-type: none"> • Staff are reminded to switch off lights when vacating rooms; • We have an ongoing programme to upgrade lighting from traditional mediums to energy efficient LED bulbs • New doors and windows with improved insulation efficiency were installed at one of our schools • The roof was replaced at four schools providing better insulation. • Boilers have been replaced at 2 schools 		

STRATEGIC REPORT (continued)

Principal risks and uncertainties

Funding

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

The Academy Trust is in active negotiations with:

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

Competitors

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

Free Schools Project

The Free Schools Project presents an opportunity and a risk for the Academy Trust. The project has been approved by the DfE and the timings of the two builds have now been agreed. The Finance Committee and the Board are fully aware of the risks and these are also detailed in The Eden Academy's Risk Register. See also 'plans for future periods' below

Covid-19 virus

The Board is aware of the risks to the organisation from Covid-19 and these are detailed in a separate Covid-19 risk register. Financial uncertainties as a result of Covid-19 are centred on two key areas. Firstly, the increased cost of additional on-going cleaning and secondly the cost of staffing cover in instances where staff are unable to attend the school site and replacement staff are needed. The impact of these costs have been absorbed in the 2020/21 academic year aided by additional Covid related funding. The impact on cashflow and reserves has been monitored for each school and, to date, this has not been significant.

PLANS FOR FUTURE PERIODS

In 2016/17 the Academy Trust was successful with two free school bids to the Department of Education. Construction of the first of the two free schools, Grand Union Village, is expected to commence in early 2022 and expected to be completed in summer 2023. Once construction of Grand Union Village is completed, construction of Pinn River, the second of the two free schools, will begin at the existing Grangewood School site. Existing Grangewood students will be temporarily relocated to Grand Union Village whilst the construction of Pinn River is undertaken, expected to be completed in summer 2024.

The Trustees adjusted their overarching strategic plan for the Academy Trust by renewing their vision and priorities for 2020-23 as the implementation of the original strategic plan was impacted by Covid-19. Work will recommence on this in the new academic year. The strategy focuses on:

- ◆ Our team: recruitment, retention and succession planning.
- ◆ Our outcomes: planning and achieving excellent outcomes for all our pupils.
- ◆ Our culture: building a universal sense of being part of the EAT family.
- ◆ Our future: delivering two new free schools and consolidating our northern hub.
- ◆ Our reputation: building our reputation as SEND specialists at home and abroad.

AUDITOR

In so far as the Directors are aware:

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

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



B Nolan
Chair of Directors

Date: 15.12.21

Scope of responsibility

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

The Board of Directors have delegated the day-to-day responsibility to the Chief Executive Officer (CEO), as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

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

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

Director	Meetings attended	Out of a possible
Barry Nolan (Chair)	7	7
Mary Canavan	7	7
James Clarke	7	7
Victoria Collis	7	7
Karen Deacon	5	7
Brian Eaton	7	7
Emily Ellington *	0	0
Mark Greenwood *	0	0
Jane Inglese	1	1
Mariangela Ladu	7	7
Helen Milner	6	7
Mirvette Russo ^	0	0
Angela St John	6	7

* Appointed by Members after the last Board meeting of 2020/21

^ Resigned before the first Board meeting of 2020/21

Governance review

In September 2018 the Trust engaged a National Leader of Governance to undertake a review of governance which found that the structure of The Eden Academy was robust and fit for purpose. Trustees undertake an annual review of Board performance during the summer term, which is used to inform the Chair's reporting to Members and informs recruitment and training for the following year.

The Eden Academy
Governance Statement (continued) Year ended 31 August 2021

Governance review (continued)

In addition two Trustees have completed CST's Governance Leadership Programme 2020-21 which includes an evaluation of Board effectiveness and preparation of an action plan which will be considered by the Board.

A number of changes have been made to the Board, and those which took place during the year of report are detailed below:

- ◆ One Director resigned with effect from 5 October 2020
- ◆ One director resigned with effect from 31 July 2021
- ◆ Three new Directors were recruited in June and July 2021 with expertise in finance, SEND provision and parental engagement

Finance Committee

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

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

Financial management strategy

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

Budget and operational issues

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

The Eden Academy
Governance Statement (continued) Year ended 31 August 2021

Finance Committee (continued)

Budget and operational issues (continued)

- ♦ be responsible, in conjunction with the Board of Directors, for determining dismissal payments/early retirement.

Compliance

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

Attendance at meetings in the year was as follows:

Member	Status	Meetings attended	Out of a possible
James Clarke * (Chair)	Director	6	7
Susan Douglas	CEO	7	7
Brian Eaton	Director	6	7
Rod Jones	LAB member (Hexham Priory)	7	7
Mariangela Ladu	Director	7	7
Rebecca Murphy	LAB member (Grangewood)	4	7
Barry Nolan	Director	6	7
Rashmi Patel ^	LAB member (Pentland Field)	7	7

LAB = Local Advisory Board

* Stepped down as a member and Chair of the Finance Committee with effect from 31 August 2021 and was replaced by Mark Greenwood (Director) in September 2021 as both member and Chair of the Finance Committee

^ Stepped down as a Finance Committee (and LAB) member before the first meeting of 2021/22

Audit Committee

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

Regularity

- ♦ Ensuring Academy Trust wide visibility of financial regulations and procedures e.g. the 'Academies Financial Handbook' releases.

The Eden Academy
Governance Statement (continued) Year ended 31 August 2021

Audit Committee (continued)

Regularity (continued)

- ◆ Advising the Board of Directors on the effectiveness of the whole system of internal control, not just financial controls.
- ◆ Oversight of the controls surrounding IT systems. Those controls to include such things as:
 - Appropriate access to data entry, data authorisation, and data reporting;
 - Appropriate risk management of IT - backup and disaster recovery; and
 - Appropriate data protection procedures.
- ◆ Intervene if there are signs that something may be seriously amiss, in particular in connection with explanations given by auditors and management. Commissioning investigations and seeking professional advice as considered necessary.
- ◆ Commissioning investigations of potential instances of fraud or irregularity or cases of whistle blowing.

External audit

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

Internal audit

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

The Eden Academy
Governance Statement (continued) Year ended 31 August 2021

Audit Committee (continued)

Risk registers

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

Other

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

Attendance at meetings in the year was as follows:

Committee Members	Meetings attended	Out of a possible
Mark Lemon (Chair)	6	6
Martin Hand	6	6
Gill Kennedy	5	6

The impact of Covid-19

During the year ways of working across the academy have changed in order to take account of the effect of Covid-19. The impact has been managed well by those charged with Governance and by staff within the schools. Key changes include:

- ◆ Clear guidance to all staff on measures required to comply with Covid-19 guidance from the government in the day-to-day running of the school environment.
- ◆ Specific Covid-19 risk register for the Academy Trust.
- ◆ Virtual meetings for all committees using the technology available. No committees were cancelled due to Covid-19.
- ◆ Virtual meetings with Heads and the Finance Team.
- ◆ Scanning of documents and email authorisations for financial transactions in order to maintain a robust audit.
- ◆ Suppliers affected by changes in the school environment due to Covid-19 were assessed on a case-by-case basis and paid where appropriate e.g. agency staff and other regular contractors who were unable to attend site due to Covid-19 restrictions school continued to be paid

The Eden Academy
Governance Statement (continued) Year ended 31 August 2021

Review of value for money

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

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The Eden Academy
Governance Statement (continued) Year ended 31 August 2021

The risk and control framework

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

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

*** The Trust introduced a new finance system in April 2021. The implementation of the new software resulted in severe disruption for the finance team and for the reporting arrangements within the Trust. Specifically financial reporting, budget monitoring, and year end reconciliations were not carried out for the last five months of the financial year.

Although budgeting and monitoring systems were not operating as we would have wished, the Board was kept up to date on the financial position in the Trust and the steps taken to ensure each school continued to have sufficient funds to operate effectively. In particular, the cash balances, payments out and income received at each school were kept under constant review. Cash balances were broadly in line with forecast cash balances and each school ended the year with a positive cash position. The systems of control for transactions also continued to remain robust.

Whilst some of the issues have now been resolved, The Trust continues to work closely with the software provider in order to ensure the remaining problems with the system are resolved as a matter of urgency.

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

In 2020/21, the work covered the following areas:

- ◆ For the Southern Hub, internal assurance work was not carried out as planned (as discussed below).

The Eden Academy
Governance Statement (continued) Year ended 31 August 2021

The risk and control framework (continued)

- ♦ For the Northern Hub: Income processing, Payroll, financial reconciliations, debtors, creditors, procurement, related party transactions, fixed asset reconciliations.

The planned internal assurance work was scheduled to cover three terms. Due to Covid 19 and other conflicting priorities the assurance visits for the Southern Schools were not carried out. This will be factored in the assurance plan for the 2021/22 financial year.

Review of effectiveness

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

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

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

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



B Nolan
Chair of Directors



S Douglas
Accounting Officer

Date: 15.12.21

The Eden Academy**Statement on Regularity, Propriety and Compliance Year ended 31 August 2021**

As Accounting Officer of The Eden Academy ('the Academy Trust'), I have considered my responsibility to notify the Academy Trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Directors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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

However, in making the above statement, as referenced within the Governance Statement accompanying this report, I draw attention to the significant reporting challenges encountered by the Academy Trust following the changes made to its accounting software on 1 April 2021. Whilst this created additional challenges in terms of the in-year management reporting and financial monitoring, I am satisfied that the system of internal control remained in place, and all significant financial transactions have been subject to due scrutiny and authorisation.



S Douglas
Accounting Officer

Date: 15.12.21

The Eden Academy
Statement of Directors' Responsibilities Year ended 31 August 2021

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP FRS 102 and the Academies Accounts Direction 2020 to 2021;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in operation.

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

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

The Directors are responsible for the maintenance and integrity of the charity and financial information included on the Academy Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



B Nolan
Chair of Directors

Date: 15.12.21

The Eden Academy
Independent Auditor's Report Year ended 31 August 2021

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

Opinion

We have audited the financial statements of The Eden Academy (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP FRS 102) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP FRS 102 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The Eden Academy
Independent Auditor's Report (continued) Year ended 31 August 2021

Conclusions relating to going concern (continued)

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report including the strategic report.

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

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

The Eden Academy
Independent Auditor's Report (continued) Year ended 31 August 2021

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

- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors (who are also the trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

The Eden Academy
Independent Auditor's Report (continued) Year ended 31 August 2021

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of directors' meetings and relevant provided to the directors;
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of directors' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

The Eden Academy
Independent Auditor's Report (continued) Year ended 31 August 2021

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

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



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

17 December 2021

The Eden Academy
Independent Accountant's Report Year ended 31 August 2021

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

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Eden Academy ("the Academy Trust") during the period from 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Eden Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Eden Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Eden Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of The Eden Academy's funding agreement with the Secretary of State for Education dated 30 May 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

The Eden Academy
Independent Accountant's Report (continued) Year ended 31 August 2021

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them. We do, however, observe the following matter.

Matter 1:

We draw attention to the statement made by the Accounting Officer within the Statement on Regularity, Propriety and Compliance, and within the Governance Statement, which notes the significant reporting challenges encountered by the Academy Trust following the changes made to its accounting software on 1 April 2021. This has resulted in the Academy Trust not being able to fully comply with the Academies Financial Handbook requirements in relation to financial oversight.



Buzzacott LLP
Reporting Accountants
130 Wood Street
London
EC2V 6DL

17 December 2021

The Eden Academy
Statement of Financial Activities
(including income and expenditure account) Year ended 31 August 2021

	Notes	Unrestricted general fund £000	Restricted general fund £000	Restricted fixed assets fund £000	31 August 2021 £000	31 August 2020 £000
Income from:						
Donations and capital grants	2	38	—	640	678	385
Charitable activities						
· Funding for the Academy Trust's educational operations	4	140	20,005	—	20,145	18,909
Other trading activities	3	589	—	—	589	531
Interest receivable		—	—	—	—	2
Total income		767	20,005	640	21,412	19,827
Expenditure on:						
Charitable activities						
· Academy Trust's educational operations	6	—	22,174	1,864	24,038	21,680
Total expenditure	5	—	22,174	1,864	24,038	21,680
Net income / (expenditure) before transfers		767	(2,169)	(1,224)	(2,626)	(1,853)
Transfers between funds	13	(87)	(38)	125	—	—
Net income / (expenditure) for the year		680	(2,207)	(1,099)	(2,626)	(1,853)
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	16	—	(4,695)	—	(4,695)	(1,043)
Net movement in funds		680	(6,902)	(1,099)	(7,321)	(2,896)
Reconciliation of funds						
Total fund balances brought forward at 1 September		1,386	(15,659)	29,875	15,602	18,498
Total fund balances carried forward at 31 August		2,066	(22,561)	28,776	8,281	15,602

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

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

The Eden Academy
Balance Sheet 31 August 2021

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible fixed assets	10		28,491		29,442
Current assets					
Debtors	11	419		300	
Cash at bank and in hand		4,777		3,836	
		<u>5,196</u>		<u>4,136</u>	
Liabilities					
Creditors: amounts falling due within one year	12	(1,181)		(529)	
Net current assets			4,015		3,607
Net assets excluding pension scheme liability			<u>32,506</u>		<u>33,049</u>
Defined benefit pension scheme liability	16		(24,225)		(17,447)
Total net assets			<u>8,281</u>		<u>15,602</u>
Restricted funds					
Fixed assets fund	13		28,776		29,875
Restricted income fund	13		1,664		1,788
Pension reserve	13		(24,225)		(17,447)
			<u>6,215</u>		<u>14,216</u>
Unrestricted funds					
General fund	13		2,066		1,386
Total funds			<u>8,281</u>		<u>15,602</u>

The financial statements on pages 41 to 67 were approved by the Directors, and authorised for issue and are signed on their behalf by:



B Nolan
Chair of Directors

Date: 15.12.21

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

The Eden Academy
Statement of Cash Flows Year ended 31 August 2021

		2021 £'000	2020 £'000
Net cash flows from operating activities			
Net cash provided by / (used in) operating activities	A	1,214	(266)
Cash flows from investing activities			
	B	(273)	65
Change in cash and cash equivalents in the year		941	(201)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September		3,836	4,037
Cash and cash equivalents at 31 August	C	4,777	3,836
A Reconciliation of income to net cash flow from operating activities			
		2021 £'000	2020 £'000
Net (expenditure)/income for the year (as per the statement of financial activities)		(2,626)	(1,853)
Adjusted for:			
Depreciation charges (note 10)		759	765
Impairment charge (note 10)		1,105	—
Capital grants from DfE and other capital income (note 2)		(640)	(309)
Defined benefit pension scheme service cost adjustment (note 16)		1,767	1,647
Defined benefit pension scheme finance cost adjustment (note 16)		316	280
Investment income receivable		—	(2)
(Increase) / Decrease in debtors		(119)	45
Increase / (Decrease) in creditors		652	(839)
Net cash provided by / (used in) operating activities		1,214	(266)
B Cash flows from investing activities			
		2021 £'000	2020 £'000
Bank interest received		—	2
Purchase of tangible fixed assets		(913)	(246)
Capital grants from DfE/ESFA		621	309
Capital funding received from others		19	—
Net cash (used in) / provided by investing activities		(273)	65
C Analysis of cash and cash equivalents			
		2021 £'000	2020 £'000
Cash at bank and in hand		4,777	3,836
Total cash and cash equivalents		4,777	3,836

The Eden Academy
Statement of Cash Flows (continued) Year ended 31 August 2021

D Analysis of changes in net debt

	At 1 September 2020 £'000	Cash flows £'000	At 31 August 2021 £'000
Cash and cash equivalents			
Cash at bank and in hand	3,836	941	4,777
Debt			
Salix loan (note 12)	—	(27)	(27)
Net debt	3,836	914	4,750

1 Principal accounting policies

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

Basis of preparation

The financial statements of The Eden Academy ("the Academy Trust"), which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going Concern

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

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

Income

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

Grants

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

1 Principal accounting policies (continued)

Income (continued)

Grants (continued)

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

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

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

Donations

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

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

Other income

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

Expenditure

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

1 Principal accounting policies (continued)

Expenditure (continued)

Charitable activities

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

Tangible fixed assets

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

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

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

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

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

Depreciation is charged from the month of acquisition.

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

1 Principal accounting policies (continued)

Debtors

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

Cash at bank and in hand

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

Liabilities

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

Provisions

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

Leased assets

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

Financial instruments

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

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

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

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

1 Principal accounting policies (continued)

Taxation

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised in the period to which they relate.

The LGPS are funded schemes and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1 Principal accounting policies (continued)

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Directors.

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

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

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

- ◆ The present value of the Local Government Pension Scheme defined benefit liabilities depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability; and
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation.

Critical areas of judgement

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

The Eden Academy
Notes to the Financial Statements Year ended 31 August 2021

2 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000	2020 Total funds £'000
Capital grants	—	621	621	309
Other donations	38	19	57	76
	38	640	678	385

	Unrestricted funds £000	Restricted fixed assets funds £000	2020 Total funds £000
Capital grants	—	309	309
Other donations	76	—	76
	76	309	385

3 Other trading activities

	Unrestricted funds	
	2021 Total funds £000	2020* Total funds £000
Hire of facilities	78	82
Trip income	1	18
Catering income - staff	1	2
RNIB Sunshine House recharges	351	265
Miscellaneous income	158	164
	589	531

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

* Catering income from pupils was, in prior years, recorded as part of "other trading activities", For 2020/21 this has been recorded as part of "funding for the Academy Trust's educational operations" (note 4). The prior year numbers have been reclassified to allow like-for-like comparison.

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020* Total funds £'000
DfE / ESFA revenue grants				
General Annual Grant (GAG)	—	7,167	7,167	6,840
Pupil Premium	—	304	304	248
Universal Infant Free School Meals	—	17	17	24
Project Development Grant	—	120	120	—
Other DfE / ESFA Group grants	—	334	334	508
	—	7,942	7,942	7,620
Other Government grants				
Local Authority income	—	11,712	11,712	11,157
Other income from educational operations				
Catering income - pupils	—	57	57	54
Other income	140	—	140	78
	140	57	197	132
Covid-19 additional funding (DfE/ESFA)				
Catch-up premium	—	168	168	—
Other DfE / ESFA Covid-19 funding	—	24	24	—
	—	192	192	—
Covid-19 additional funding (non-DfE /ESFA)				
Mass testing funding	—	102	102	—
	140	20,005	20,145	18,909

The Trust received £168,000 of Catch-up Premium funding in 2021/22 which was fully expended in the same year.

* Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Academy Trust's funding for Universal Infant Free School Meals and Pupil Premium are no longer reported under the "other DfE Group grants" heading, but as separate lines under the "DfE/ESFA revenue grants" heading. In addition, catering income from pupils previously recognised as part of "other trading activities" (note 3) are now recorded as part of "other income from educational operations" above. The prior year numbers have been reclassified to allow like-for-like comparison.

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

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

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2020 Total funds £'000</i>
DfE / ESFA revenue grants			
General Annual Grant (GAG)	—	6,840	6,840
Pupil Premium	—	248	248
Universal Infant Free School Meals	—	24	24
Other DfE / ESFA grants	—	508	508
	—	7,620	7,620
Other Government grants			
Local authority grants	—	11,157	11,157
Other income from educational operations			
Catering income - pupils	54	—	54
Other income	78	—	78
	132	—	132
	132	18,777	18,909

5 Expenditure

	<i>Staff costs (note 7) £'000</i>	<i>Non pay expenditure</i>		2021 Total £'000	2020 Total £'000
		<i>Premises £'000</i>	<i>Other costs £'000</i>		
Academy Trust's educational operations					
Direct costs	15,077	—	453	15,530	15,083
Allocated administrative support costs	4,397	993	3,118	8,508	6,597
	19,474	993	3,571	24,038	21,680

	<i>Staff costs (note 7) £'000</i>	<i>Non pay expenditure</i>		2020 Total £'000
		<i>Premises £'000</i>	<i>Other costs £'000</i>	
Academy Trust's educational operations				
Direct costs	14,590	—	493	15,083
Allocated administrative support costs	3,822	855	1,920	6,597
	18,412	855	2,413	21,680

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

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

5 Expenditure (continued)

	2021 Total £'000	2020 Total £'000
Net income / (expenditure) for the year is after charging:		
Depreciation (note 10)	759	765
Impairment charge (note 10)	1,105	—
Fees payable to auditor		
• Statutory audit	30	29
• Other services	7	6

6 Academy Trust's educational operations

	2021 Total £000	2020 Total £000
Direct costs (educational operations)	15,530	15,083
Support costs (administrative) – see below	8,508	6,597
	24,038	21,680

	2021 Total £000	2020* Total £000
Support staff costs (administrative)**	4,397	3,822
Depreciation	759	765
Impairment charge	1,105	—
Technology costs	104	33
Premises costs	993	855
Legal costs – conversion	8	—
Legal costs – other	349	435
Other support costs	748	652
Governance costs	45	35
Total support costs	8,508	6,597

* The analysis of costs recorded as “legal costs – other” and “governance costs” was revisited in 2020/21. Figures for the comparative period have been reanalysed in the same manner to allow like-for-like comparison – this has resulted in a £435,000 reduction in “governance costs” and a £435,000 increase in “legal costs – other” for the year ended 31 August 2020.

** Support staff costs includes service and finance cost adjustments made in respect of defined benefit pension schemes totalling £2,083,000 (2020: £1,927,000).

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

7 Staff

(a) Staff costs

Staff costs during the year were:

	2021 Total £000	2020 Total £000
Wages and salaries	12,585	11,820
Social security costs	1,089	1,000
Pension costs		
· Employer contributions payable	2,573	2,424
· Service cost adjustment in respect of defined benefit schemes	1,767	1,647
Apprenticeship levy	49	50
	18,063	16,941
Supply staff costs	1,401	1,471
Staff severance	10	—
	19,474	18,412

Included in staff severance costs was a single non-statutory / non-contractual severance payment of £10,000 (2020 – no non-statutory / non-contractual severance payments).

(b) Staff numbers

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

	2021 No.	2020 No.
Teachers and educational support	503	486
Administration	34	34
Management	31	34
	568	554

(c) Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	1	4
£70,001 - £80,000	3	3
£80,001 - £90,000	3	2
£90,001 - £100,000	1	—
£100,001 - £110,000	—	1
£110,001 - £120,000	1	—

(d) Key management personnel

The key management personnel of the Academy Trust comprise the Directors and the Senior Leadership Team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer's social security cost) payable in respect of key management personnel for their services to the Academy Trust was £1,133,005 (2020 - £1,009,111).

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

8 Directors' remuneration and expenses

The CEO was a Director of the Academy Trust until 31 August 2020 and was remunerated in respect of services provided undertaking the role of CEO and not in respect of her services as Director. Other Directors do not receive any payments other than the reimbursement of out-of-pocket expenses incurred in connection with their duties as Directors (see below). The value of Directors' remuneration and other benefits was as follows:

	2021 £000	2020 £000
Susan Douglas, CEO		
Remuneration	—	100-105
Employer's pension contributions	—	15 - 20

No Directors claimed expenses for travel and subsistence during the year ended 31 August 2021 (2020 – £746 for two Directors).

9 Central services

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

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

The Academy Trust charges for these services at between 5.75% and 6.00% (2020 – between 5.75% and 6.00% of income) for the schools in the South, and at 2.40% of income (2020 – 2.40% of income) for the schools in the North.

The actual amounts charged during the year were as follows:

	2021 £000	2020 £000
Alexandra School	114	114
Grangewood School	198	228
Hexham Priory School	55	69
James Rennie School	83	81
Moorcroft School	199	171
Pentland Field School	260	268
	909	931

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

10 Tangible fixed assets

	Freehold land and buildings £'000	Lease- hold land and buildings £000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £000	Total funds £000
Cost						
At 1 September 2020	7,670	24,978	124	165	168	33,105
Additions	—	913	—	—	—	913
At 31 August 2021	<u>7,670</u>	<u>25,891</u>	<u>124</u>	<u>165</u>	<u>168</u>	34,018
Depreciation						
At 1 September 2020	782	2,493	111	147	130	3,663
Charge in year	153	576	6	12	12	759
Impairment charge (see below)	—	1,105	—	—	—	1,105
At 31 August 2021	<u>935</u>	<u>4,174</u>	<u>117</u>	<u>159</u>	<u>142</u>	5,527
Net book value						
At 31 August 2021	<u>6,735</u>	<u>21,717</u>	<u>7</u>	<u>6</u>	<u>26</u>	28,491
At 31 August 2020	<u>6,888</u>	<u>22,485</u>	<u>13</u>	<u>18</u>	<u>38</u>	29,442

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

At 31 August 2021, the Academy Trust had capital commitments totalling £157,000 (2020 - £388,000) in respect of amounts contractually agreed, but not yet delivered to the Academy Trust by the balance sheet date.

As disclosed within note 18, the existing Grangewood School building is expected to be demolished at the start of the 2023/24 academic year as part of the development of Pinn River free school. Given the significant reduction in the useful economic life of the existing site to the Trust, the carrying value of the Grangewood site has been impaired. The remaining carrying value of the site will be written down over the 2021/22 and 2022/23 financial years.

11 Debtors

	2021 £000	2020 £000
Trade debtors	52	149
VAT recoverable	171	75
Prepayments and accrued income	196	76
	<u>419</u>	<u>300</u>

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

12 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Taxation and social security	391	235
Salix Loan (see below)	27	—
Other creditors	61	168
Accruals and deferred income	702	126
	1,181	529
Deferred income		
Deferred income at 1 September 2020	—	1,087
Released during the year	—	(1,087)
Resources deferred in the year	355	—
Deferred income at 31 August 2021 (see below)	355	—

During the year ended 31 August 2021, the Trust was successful in its application for an Energy Efficiency Salix Loan. The loan is interest free with capital repayments spread equally over an eight year period beginning in the year ending 31 August 2022. Repayments will be made through a reduction in the General Annual GAG receivable by the Trust from the DfE. Salix loans are pre-approved by HM Treasury and therefore no additional approval for the borrowing was required from the DfE.

Deferred income as at 31 August 2021 related to top-up fees received in advance from the London Borough of Harrow (£355,000) for the 2021/22 academic year. There was no deferred income at the end of 2019/20.

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

13 Funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
General Annual Grant (GAG)	124	7,167	(7,253)	(38)	—
Pupil Premium	—	304	(304)	—	—
Universal Infant Free School Meals	—	17	(17)	—	—
Project Development Grant	—	120	(120)	—	—
Catch-up Premium	—	168	(168)	—	—
Mass testing funding	—	102	(102)	—	—
Other DfE/ESFA Covid funding	—	24	(24)	—	—
Local Authority income	—	11,712	(11,712)	—	—
Other grants and income	1,664	391	(391)	—	1,664
	1,788	20,005	(20,091)	(38)	1,664
Pension reserve	(17,447)	—	(2,083)	(4,695)	(24,225)
	(15,659)	20,005	(22,174)	(4,733)	(22,561)
Restricted fixed asset funds					
. Transfer on conversion	12,388	—	(1,512)	—	10,876
. DfE/ESFA capital grants	17,487	621	(352)	125	17,881
. Other capital income	—	19	—	—	19
	29,875	640	(1,864)	125	28,776
Total restricted funds	14,216	20,645	(24,038)	(4,608)	6,215
Unrestricted funds					
. General funds	1,386	767	—	(87)	2,066
Total unrestricted funds	1,386	767	—	(87)	2,066
	15,602	21,412	(24,038)	(4,695)	8,281

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

ESFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Fixed assets fund

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

Pension reserve

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

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

13 Funds (continued)

Analysis of fund balance by academy

Fund balances at 31 August were allocated as follows:

	2021 £000	2020 £000
Alexandra School	286	358
Grangewood School	266	89
Hexham Priory School	552	318
James Rennie School	418	254
Moorcroft School	478	312
Pentland Field School	773	444
Central fund	957	1,399
Total before fixed assets and pension reserve	3,730	3,174
Restricted fixed assets fund	28,776	29,875
Pension liability	(24,225)	(17,447)
Total	8,281	15,602

* The central fund includes a sum of £650,000 (2020: £650,000) ring-fenced for one of the schools within the Trust.

Analysis of academies by cost

Expenditure incurred by each school and the central fund during the year (excluding £759,000 (2020 - £765,000) of depreciation) was as follows:

	Teaching and education support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation and impairments) £'000	2021 Total £'000	2020 Total £'000
Alexandra School	1,286	365	52	288	1,991	1,907
Grangewood School	2,092	562	37	241	2,932	3,104
Hexham Priory School	1,769	235	64	236	2,304	2,421
James Rennie School	2,549	508	90	274	3,421	3,600
Moorcroft School	2,088	588	49	353	3,078	2,603
Pentland Field School	2,583	707	35	332	3,657	3,692
Central services	1,318	2,824	25	624	4,791	3,588
Total net assets	13,685	5,789	352	2,348	22,174	20,915

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

13 Funds (continued)

Comparative information

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	352	6,840	(7,051)	(17)	124
Pupil Premium	—	248	(248)	—	—
Universal Infant Free School Meals	—	24	(24)	—	—
Local Authority income	—	11,157	(11,157)	—	—
Other grants and income	1,664	508	(508)	—	1,664
	2,016	18,777	(18,988)	(17)	1,788
Pension reserve	(14,477)	—	(1,927)	(1,043)	(17,447)
	(12,461)	18,777	(20,915)	(1,060)	(15,659)
Restricted fixed asset funds					
Transfer on conversion	12,795	—	(407)	—	12,388
DfE/ESFA capital grants	17,519	309	(358)	17	17,487
	30,314	309	(765)	17	29,875
Total restricted funds	17,853	19,086	(21,680)	(1,043)	14,216
Unrestricted funds					
General funds	645	741	—	—	1,386
Total unrestricted funds	645	741	—	—	1,386
	18,498	19,827	(21,680)	(1,043)	15,602

14 Analysis of net assets between funds

	Unrestricted funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total 2021 £000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	28,491	28,491
Current assets	2,066	2,845	285	5,196
Current liabilities	—	(1,181)	—	(1,181)
Pension scheme liability	—	(24,225)	—	(24,225)
	2,066	(22,561)	28,776	8,281

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

14 Analysis of net assets between funds (continued)

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

15 Members' Liability

Each Member of the Academy Trust undertakes to contribute to the assets of the company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they cease to be a Member.

16 Pension and similar obligations

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

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

Contributions amounting to £85,000 were payable to the schemes at 31 August 2021 (2020 - £95,000)

Teachers' Pension Scheme (TPS)

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

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

16 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £999,000 (2020 - £919,000).

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

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

Local Government Pension Scheme (LGPS)

Each LGPS is a multi-employer funded defined benefit scheme, with the assets held in separate trustee-administered funds. The contributions made for the year ended 31 August 2021 (as referenced by the actuaries in determining their estimates) was £2,006,000 (2020 - £1,918,000), of which employer's contributions totalled £1,574,000 (2020 - £1,505,000) and employees' contributions totalled £432,000 (2020 - £413,000). The agreed contribution rates for future years are between 5.5% and 12.5% for employees and between 17.7% and 20.9% for employers.

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

16 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

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

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

	At 31 August 2021	At 31 August 2020
Principal actuarial assumptions		
Rate of increase in salaries	3.8%	2.5%
Rate of increase for pensions in payment / inflation	2.8%	2.9%
Discount rate for scheme liabilities	1.7%	1.7%

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

	At 31 August 2021	At 31 August 2020
Mortality assumptions		
<i>Retiring today</i>		
Males	22.3	22.2
Females	24.5	24.8
<i>Retiring in 20 years</i>		
Males	24.0	23.6
Females	26.8	26.6

	At 31 August 2021 £'000	At 31 August 2020 £'000
Sensitivity analysis – net increase in liability		
0.1% decrease in real discount rate (2020: 0.5% decrease)	1,214	4,659
0.1% increase in pension increase rate (2020: 0.5% decrease)	919	1,582
0.1% increase in salary increase rate (2020: 0.5% decrease)	120	3,248

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

16 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	9,841	7,493
Corporate bonds	5,079	4,099
Property	2,568	1,821
Cash and other liquid assets	1,162	1,194
Other	1,490	953
Total market value of assets	20,140	15,560

	2021 £'000	2020 £'000
Amounts recognised in statement of financial activities		
Current service cost (net of employee contributions)	3,341	3,090
Past service cost	—	52
Administration costs	9	10
Interest income	(282)	(272)
Interest cost	589	552
Total operating charge	3,657	3,432

	2021 £'000	2020 £'000
Changes in the present value of defined benefit obligations were as follows:		
At 1 September	33,007	28,056
Current service cost	3,341	3,090
Interest cost	589	552
Employee contributions	432	413
Actuarial loss	7,358	1,087
Past service cost	—	52
Benefits paid	(362)	(243)
At 31 August	44,365	33,007

	2021 £000	2020 £000
Changes in the fair value of the Academy Trust's share of scheme assets:		
At 1 September	15,560	13,579
Interest income	282	272
Actuarial gain	2,663	44
Admin expenses	(9)	(10)
Employer contributions	1,574	1,505
Employee contributions	432	413
Benefits paid	(362)	(243)
At 31 August	20,140	15,560

17 Related party transactions

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

The spouse of the Head of School at Alexandra School is employed within the IT department. His earnings for the year were £6,833 (2020 - £6,632). The Governing Body interviewed for the role and decided on the hours and days worked (6 hours per week, 52 weeks per year). The Head of School at Alexandra declares an interest annually and includes her spouse in that declaration. In addition, at any business meeting where it might be relevant, the Head of School leaves the room when her spouse and his role are discussed.

Details of Directors' remuneration and expenses are provided at note 8.

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

18 Post balance sheet events

In 2016/17, the Secretary of State approved the establishment of Grand Union Village and Pinn River All-through Free School. Construction of the Grand Union Village school building is expected to commence in early 2022 and will be built on ESFA owned site, whilst the 180 place Pinn River All-through Free School is to be constructed at the existing Grangewood site. Once construction of Grand Union Village is completed, anticipated for summer 2023, a long-lease will be assigned to The Eden Academy for its occupation of the property. Existing Grangewood students will be temporarily relocated to Grand Union Village whilst the construction of Pinn River is undertaken. Construction of Pinn River is expected to be completed in summer 2024.

The expected completion dates referenced above are subject to change due to the significant business disruption caused by the impact of the Covid-19 pandemic. However, the trustees' are of the opinion that there is now a sufficient level of certainty over the project and its broad timelines and, given the anticipated demolition of the existing Grangewood site in the summer of 2023, believe that the carrying value of the Grangewood site is impaired. As such, an impairment charge of £1,015,000 has been recognised in these financial statements, and a further £1,015,000 will be charged in both 2021/22 and 2022/23 to write the remaining carrying value down to £nil.

During the year ended 31 August 2021, a £120,000 Project Development Grant was received by The Eden Academy to cover essential non-capital pre-opening costs for the two schools. This was fully utilised in the year on salary back fill and creating capacity within the academy, as well as legal and consultancy support.

In addition, with effect from 1 September 2021, the education provision, staff and pupils of those previously a part of Sunshine House School now fall under the direct control of The Eden Academy. Staff have transferred to The Eden Academy as part of a TUPE, and pupils have joined the class rolls of Grangewood School (for primary pupils) and Moorcroft School (for secondary pupils).

The Eden Academy
Notes to the Financial Statements (continued) Year ended 31 August 2021

19 Comparative information

Comparative information for the preceding year is as follows:

	Unrestricted general fund £000	Restricted general fund £000	Restricted fixed assets fund £000	31 August 2020* £000
Income from:				
Donations and capital grants	76	—	309	385
. Transfer on conversion	—	—	—	—
Charitable activities				
. Funding for the Academy Trust's educational operations	132	18,777	—	18,909
Other trading activities	531	—	—	531
Interest receivable	2	—	—	2
Total income	741	18,777	309	19,827
Expenditure				
Charitable activities				
. Academy Trust's educational operations	—	20,915	765	21,680
Total expenditure	—	20,915	765	21,680
Net income / (expenditure) before transfers	741	(2,138)	(456)	(1,853)
Transfers between funds	—	(17)	17	—
Net income / (expenditure) for the year	741	(2,155)	(439)	(1,853)
Other recognised gains and losses				
Actuarial losses on defined benefit pension schemes	—	(1,043)	—	(1,043)
Net movement in funds	741	(3,198)	(439)	(2,896)
Reconciliation of funds				
Total fund balances brought forward at 1 September	645	(12,461)	30,314	18,498
Total fund balances carried forward at 31 August	1,386	(15,659)	29,875	15,602

* Other income has been reviewed and the above figures have been restated to move £54,000 catering income from other trading activities to Funding for the Academy Trust's educational operations.