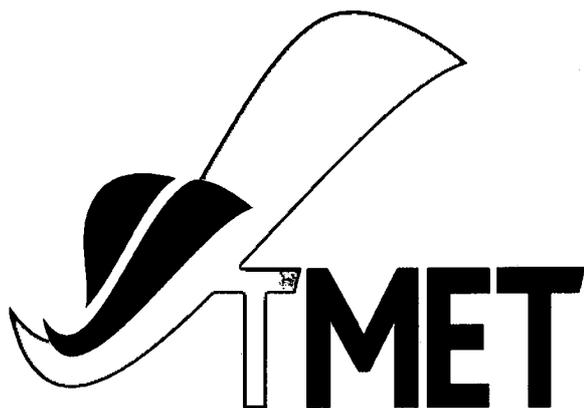


Company Registration Number: 09079258 (England & Wales)



THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Azam Mamujee Kishor Tailor Chris Wilkinson Sally Cox (appointed 12 December 2019) Anthony Glover
Trustees	Anthony Glover, Chair of Trustees ^{2,3} Carolyn Robson, Chief Executive Gemma Bhagalia ³ Rachael Clarke ^{1,2} Victoria Bishop (resigned 25 September 2019) Elaine Taylor ^{2,3} Kirsty Holt Kasar Singh ¹ Deepak Karia ¹ Hetal Parmar, Vice-Chair of Trustees Hiten Mehta ¹ ¹ Finance & Audit Committee ² Remuneration Committee ³ Education Committee
Company registered number	09079258
Company name	The Mead Educational Trust
Principal and registered office	The Mead Centre 343 Gipsy Lane Leicester LE4 9DD
Company secretary	Cathy Brown
Chief executive officer	Carolyn Robson
Senior management team	Carolyn Robson, Chief Executive Officer David Wyatt, Chief Financial Officer Cathy Brown, Head of Governance Rita Hindocha, Director of Secondary Education Sarah Ridley, Director of Primary Education Dave Roper, Strategic Director of Teaching School Mark Oldman, Director of Inclusion and SEND
Independent auditors	Magma Audit LLP Chartered Accountants Unit 2, Charnwood Edge Business Park System Road Cossington Leicestershire LE7 4UZ

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers

Lloyds Bank
High Street
Leicester
LE1 4FP

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

By 31 August 2020, The Mead Educational Trust (TMET) comprised ten schools (seven primary and three secondary), Leicester Teaching School and Leicestershire Secondary SCITT (School Centred Initial Teacher Training), all of which are based in Leicester. TMET's schools have a combined pupil capacity of nearly 7,000 and a combined number on roll of approximately 6,300.

During the 2019-20 financial year, two Leicester primary schools joined the Trust: Abbey Mead Primary Academy and Kestrel Mead Primary Academy both joined on 1 September 2019.

TMET was established to provide a local sponsorship solution and became fully operational in November 2015 with its first two schools, Rushey Mead Academy and North Mead Primary Academy (previously Northfield House Primary Academy). By the end of the 2018-19 financial year TMET has grown to an 'Established Trust' of eight schools and, by the start of September 2019, to ten schools. The Trust is due to open another secondary Free School, Brook Mead Academy, in August 2021. The Trust is deliberately a cross phase entity, believing that everyone has much to learn from each other and that primary colleagues in particular have a rich, holistic understanding of their learners.

TMET has always been underpinned by a strong moral purpose and commitment to improving life chances for all young people. There has been a long history of collaboration and system leadership through the National Support Schools at Rushey Mead Academy and Willowbrook Mead Primary Academy (previously Willowbrook Primary Academy) and through its Teaching School and Leicestershire Secondary SCITT. North Mead Primary Academy has become a National Support School since joining the Trust. The TMET Board of Trustees is determined to continue to develop a high performing multi academy trust (MAT) that delivers the very best educational experience for pupils at both primary and secondary level.

As a MAT, TMET builds on reciprocity and partnership to develop excellent opportunities and ambitious, aspirational outcomes for all, whilst nurturing self-worth and resilience. Alongside this reciprocal partnership arrangement sits clear accountability measures facilitated by strong governance and quality assurance.

In its pursuit of delivering the best educational experience for its pupils, the Trust continues to develop a cost effective, sustainable organisation and a business model that delivers efficiency, effectiveness and economies of scale in order to free up more resources for pupils and school improvement.

There is a fast pace of change in the educational landscape, particularly as more schools convert to academies, and especially in Leicester City where TMET is based. The Trust has strategic plans for the next three years which support the core focus of delivery of outstanding education and school improvement. Alongside this TMET is carefully growing its number of schools and central team to create further capacity within the Trust.

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management

• **Constitution**

The Mead Educational Trust is a company limited by guarantee (No. 09079258) and an exempt charity in accordance with the Academies Act 2010. The charitable company was incorporated on 10 June 2014.

The Mead Educational Trust changed its name from Rushey Mead Educational Trust on 19 July 2018.

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreements with the Department for Education (DfE). The Trustees of the Trust are the directors of the charitable company for the purposes of company law and the Trustees for the purposes of charity law.

The charitable company is known as The Mead Educational Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the reference and administrative details on page 1.

• **Members' liability**

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

• **Trustees' indemnities**

TMET has opted out of the Department for Education's risk protection arrangement (RPA) scheme in favour of a comprehensive package of insurance with Zurich. This policy includes general coverage for Public Liability (£25m) Employers Liability (£25m) as well as a specific policy for Governor Liability (£2m). It is not possible to quantify the Trustees and officer indemnity element from the overall cost of the scheme as the insurance is costed on a per pupil basis.

• **Method of recruitment and appointment or election of Trustees**

Trustees are appointed on the basis of skills, competencies and experiences following a skills audit and self-review by the Board. Some Trustees have been recruited with support from Academy Ambassadors and Inspiring Governance and some from the networks of existing Trustees. As set out in the Trust's Articles of Association, six trustees are appointed by the Members and some are appointed by the Trustees.

THE MEAD EDUCATIONAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

● **Policies adopted for the induction and training of Trustees**

Each new Trustee attends a face to face induction session (in person or virtually) with the Trust Head of Governance. Where a Trustee joins a committee or takes on a particular role (e.g. Safeguarding Trustee), they meet with an appropriate member of the Trust central team for a briefing on that area (e.g. with the Chief Financial Officer for a Trustee who will join the Finance and Audit Committee).

Trustees have access to the Trust bespoke training sessions and to governance training provided by the Teaching School, Local Authority Governor Services and other providers. They also have access to Learning Link online governance training. Any costs associated with governance training and development are met by the Trust central budget.

Support, advice and guidance is available to Trustees from the Trust Head of Governance (who is also a National leader of Governance). Additional information and guidance is available through the Board's membership of the National Governance Association and registration with The Key for School Governors.

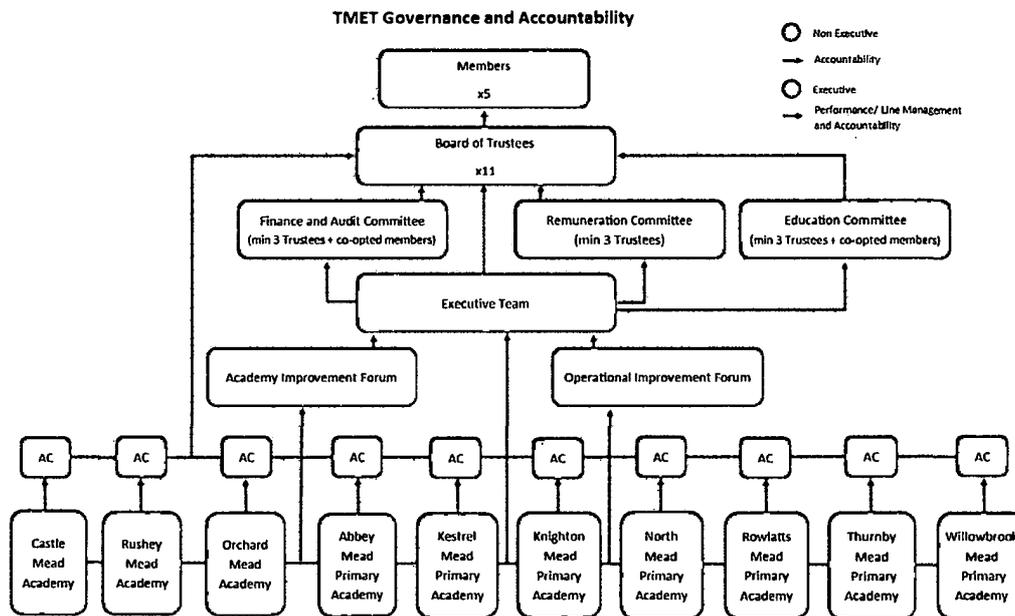
THE MEAD EDUCATIONAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

• **Organisational structure**

The Trust Governance and Accountability Structure at 31 August 2020:



Members

The Members are the guardians of the Trust constitution, changing the Articles of Association if necessary and ensuring the charitable objects are fulfilled. The Members appoint some of the Trustees and can exercise powers to remove them. The Trust will ordinarily have five Members.

Board of Trustees

The Board of Trustees is responsible for conducting the affairs of the Trust to achieve its objectives, shaping the success of the Trust. The Board is responsible for the governance of the Trust and the Trustees have duties as company directors under company law and as Trustees under charity law. The Trustees establish the overall framework for governance of the Trust and determine membership, terms of reference and procedures of Board committees and academy councils.

The Board of Trustees ordinarily meets four times per year. In 2019-20 academic year it met eight times due to the Trust's response to the COVID-19 pandemic. In 2020-21 Trustees have planned six Board meetings.

Finance and Audit Committee

This committee provides assurance to the Trust Board over the sustainability of, and compliance with, the Trust's financial systems and operational controls. The committee's role is to maintain an oversight of the Trust's financial governance, risk management, internal control and value for money framework.

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

This committee meets four times per year.

Education Committee

This committee provides assurance to the Trust Board on the standards, performance and safeguarding of all schools within TMET. The committee monitors and evaluates pupil progress and attainment and the quality of teaching, ensuring the Trust provides a consistently high quality learning experience and delivers a broad and balanced curriculum in keeping with the Trust's aims and vision, all pupil needs and legal requirements.

This committee meets four times per year.

Remuneration Committee

This committee considers, determines and keeps under review a framework for the remuneration and terms and conditions of the Trust CEO and senior staff, both in individual schools and in the Trust Executive Team. The committee uses benchmarking evidence of the remuneration, benefits and incentives paid to senior staff in comparable employment and ensures the remuneration or other sums paid to senior staff do not exceed amounts that are reasonable in all the circumstances.

This committee meets once per year.

Academy Councils

Each school has its own academy council. Each academy council is a committee of the Trust Board and is given responsibility for detailed oversight of its school.

An academy council is comprised of members appointed by the Trust, elected parents and staff and the principal. A school in special measures or causing concern may have a smaller academy council, e.g. Orchard Mead Academy has done so since it joined TMET in September 2017.

The responsibility and levels of authority of the academy councils are set down in the Trust Scheme of Delegation and in the Academy Council Constitution and Terms of Reference. Schools that are in special measures or causing concern may have fewer delegated powers, e.g. the academy council of Orchard Mead Academy has not had financial responsibilities since the school joined TMET in September 2017 to enable the academy council to focus on educational provision, behaviour and safeguarding.

The key responsibilities of an academy council include to:

- provide robust challenge and positive support to the principal and senior leadership team of the school;
- determine the educational character, mission and ethos of the school;
- monitor progress against the school improvement plan;
- monitor pupils' progress and attainment;
- monitor the effectiveness of the school's SEND provision;
- monitor the deployment and impact of Pupil Premium, Year 7 Literacy and Numeracy Catch up Premium (secondary) and Sports Premium (primary);
- monitor the implementation of the school's behaviour policy;
- ensure the safeguarding, wellbeing and health and safety of pupils and staff;
- support the senior leadership team in planning the staffing structure and in management of staff;
- ensure good financial health and probity;
- develop appropriate risk management strategies;
- ensure effective health and safety practice; and
- establish and maintain relationship with the local community, including parents.

Trust Executive Team and Central Team

The Executive Team is the executive management arm of the Trust, focusing on operations and the educational

THE MEAD EDUCATIONAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

performance of the Trust schools. The team operates under the leadership and direction of the Chief Executive Officer, who is also the Accounting Officer and, by virtue of their position, a Trustee. The Executive Team also includes the Chief Financial Officer, Director of Secondary Education, Director of Primary Education, Director of Inclusion and SEND (new role in January 2020), Head of Governance and Strategic Director of the Teaching School.

During 2019-20 the Executive Team has been supported by other members of the Trust central team including the Executive Assistant, HR Adviser and Finance Team. In addition, consultants have been engaged over the year to provide additional, flexible capacity in HR and free school project management.

A new centralised IT Team was established from September 2019.

The Executive Team and wider Trust central team work directly with the Academy Improvement Forum (principals), Operational Improvement Forum (business managers), staff in each school and the academy councils to ensure that the required outcomes are achieved in accordance with the direction and vision of the Trust Board.

Academy Improvement Forum

The Trust school principals meet fortnightly in the Academy Improvement Forum (AIF). The meetings alternate between all principals together and the primary and secondary phases meeting separately. The Director of Secondary Education and Director of Primary Education chair the separate meetings and the CEO chairs the joint ones. The Trust Director of Inclusion and SEND also attends the AIF. These meetings provide a very effective forum for professional dialogue and challenge, are integral to all school improvement activities and enable the principals to suggest developments to the Executive Team.

Operational Improvement Forum

All the Trust school business managers meet fortnightly with the Trust Chief Financial Officer, and other central staff as appropriate, in the Operational Improvement Forum. These meetings provide a very effective forum for professional dialogue and challenge, are integral to all school business activities and enable the business managers to suggest developments to the Executive Team.

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

The Trust's Pay Policy sets out the framework for making decisions on Trust employees' pay. It has been developed to comply with current legislation, the requirements of the School Teachers' Pay and Conditions Document (STPCD) and the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service ("Green Book") and in accordance with the principles of public life – objectivity, openness and accountability.

Pay decisions for Trust and academy senior leadership posts are made by the Trust Remuneration Committee. The pay levels of the key management personnel are benchmarked against comparable positions at similar sized multi-academy trusts.

THE MEAD EDUCATIONAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

• **Trade union facility time**

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	33
Total pay bill	28,700,830
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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• **Related parties and other connected charities and organisations**

Although there are a number of professional links with other schools and third party organisations, the Trust is an independent company with no affiliation to outside bodies.

The Trust works closely with a wide variety of organisations in the field of education, including but not restricted to:

- Leicester City Council
- Leicester City Educational Improvement Partnership
- Leicestershire Secondary SCITT
- Challenge Partners
- The British Council
- Teaching Schools Council
- East Midlands, South Yorkshire and Humber Teaching Schools Alliance
- a number of Multi Academy Trusts

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

• **Engagement with employees (including disabled persons)**

Communications

The Mead Educational Trust has 880 employees, the majority working in the ten schools in the Trust. The principals and business managers of the schools attend separate fortnightly forum meetings with members of the Trust Executive Team where relevant information is shared and so they can cascade information as appropriate to their staff. Regular senior leadership team meetings and school staff meetings and briefings take place at school level.

The Trust provides a range of written communications with employees in the form of newsletters, bulletins and letters to staff from the CEO and Chair of Trust Board.

The Trust has a number of network groups which bring together those in the schools with particular roles and members of the trust executive team. These include: principals; business managers; special education needs co-ordinators; attendance staff; and, family support staff. This enables staff to share ideas and challenges and to collaborate on solutions and new projects. It also enables relevant information to be communicated by the Executive Team members both to and from these groups.

Consultation and seeking views

A staff survey is carried out each year and results are considered at Trust and school level. Statutory consultations with appropriate staff are carried out on key changes such as staff restructures staffing changes, length of the school day and planned pupil admission number.

The discussions at the Trust network groups inform Trust decisions. For example, the development in 2019-20 of additional Trust support from education psychologists and in primary intervention.

Positive staff and trade union relationships are fundamental to the Trust's ethos of ensuring good employee relations. The Trust holds a Joint Consultative Committee meeting once per term for union representatives and members of the Trust executive team to discuss HR matters and policies. These were disrupted from March 2020 due to COVID-19 but the Trust still had communications with the unions through this time.

Sharing Trust's performance

The schools engage staff in discussing information such as the educational performance of pupils at their school. Headline performance information such as Ofsted inspection outcomes are shared through staff newsletters and this information along with other key information is published online, e.g. end of key stage performance and Trust annual accounts.

Equal Opportunities Policy

This sets out the Trust's commitment to equality, diversity and inclusion in recruitment, selection and provision of training and employment in line with the Equality Act 2010. Disability is included as a protected characteristic. All HR policies, procedures and processes strongly reflect this ethos. Appropriate support is given to all (including potential) employees, as appropriate, to help them secure and remain in suitable positions within the Trust. This also includes securing promotion.

Managers are given appropriate training and guidance to enable them to support disabled applicants and employees, including seeking Occupational Health advice and implementing reasonable workplace adjustments.

THE MEAD EDUCATIONAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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

Suppliers

The Mead Educational Trust relies on external suppliers for a number of key services. As well as being important for our success, we believe that dealing with suppliers in the right way is the right thing to do.

The Trust actively engages with suppliers through the undertaking of appropriate procurement exercises, ongoing contract management processes and partnership engagement. The Board-approved Procurement Policy sets out the procurement rules for the Trust which ensure that taxpayers' money is used in ways that are demonstrably open, fair, and good value. It requires that all suppliers are given an equal opportunity to seek business and make competitive offers, and that spending choices and decisions are transparent and defensible.

The Procurement Policy expects good contract management with suppliers to build and maintain a strong working relationship with the supplier and all with all relevant partners and stakeholders, checking that the scheduled goods, works or services are being delivered on time and to the required standards set out in the contract.

Parents and carers

The Trust actively engages with parents and carers of pupils via the individual schools' communications methods which include email, text and the use of online platforms such as Schoolcomms, Weduc and Dojo. These online platforms enable quick communication between staff and parents and one-to-one communications. They also provide translation options which is invaluable for many families in TMET schools. The communication apps really came into their own during the COVID lockdown from March 2020 when the majority of children were not attending school.

The Trust schools seek parent views via annual parent questionnaires and engage face to face (or online) with parents at parents' evenings and a wide range of other school events.

Pupils

Pupil views are gathered through a variety of routes such as pupil questionnaires, school councils and daily communications in class and in school in general.

Others in a business relationship with the Trust

All ten schools in TMET are within Leicester City Local Authority (LA). The Trust purchases some services from the LA and has regular meetings with representatives from this LA. TMET considers itself and the LA to be strategic partners in that it works with the LA to develop solutions to meeting need in Leicester.

The Trust has built a good relationship with the Regional Schools Commissioner to discuss performance of the Trust and of how it can work to support other schools in the area.

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

(continued)

• **Objects and aims**

The Trust's mission statement is 'together we make a positive difference'.

Our mission statement demonstrates our fundamental belief that we can achieve more together than separately. We believe that we will be able to provide the best possible education for local young people where our schools create a climate within which young people will thrive. We will achieve this through strong collaboration, through strong executive leadership and management, through excellent learning, teaching and assessment, where our teachers are expert in their fields, and where we have effective local governance, a professional approach to our business, and sound financial management.

We have built our vision and values around the 7 Cs:

- **Challenge** - Providing an excellent education by having high aspirations for all young people and giving them confidence in themselves, so they can become the best they can be and contribute actively to society.
- **Collaboration** - Working effectively and harmoniously together across phases and accepting our shared accountability for meeting our aims.
- **Culture** - Respecting and celebrating diversity and enabling children and young people to participate in, and respond to, artistic and cultural experiences.
- **Community** - Building a safe and stimulating environment where caring relationships and kindness are consistently developed and communication is excellent.
- **Courage** - Making sure all decisions are based on clear high moral values and commitment to doing the right thing with compassion and integrity.
- **Creativity** - Providing pioneering, innovative, vibrant and enjoyable learning experiences that are open to all and based on research, so that the curriculum sits at the forefront of education.
- **Character** - Nurturing positive character attributes such as perseverance, resilience, confidence, optimism, tolerance, respect, community spirit, honesty, integrity and dignity.

Each school develops their own unique ethos and character reflecting its community and context rather than the Trust imposing a predetermined solution. However, where schools require sponsored solutions or strong intervention, we will put in place a tight school improvement solution with much less flexibility and greater control.

The Trust ensures its values drive its key performance indicators and the school improvement strategy. In particular, it is committed to ensuring that all its young people, particularly the least advantaged, receive excellent teaching so that they can make progress that is outstanding. The Trust, as the employer of all staff within its schools, provides high quality, professional development for staff so they can develop their own learning and skills.

The Trust is fully committed to a school led system, as already demonstrated through its Teaching School, SCITT and Challenge Partners Hub. It believes that strong networks build capacity from within and a culture that is constantly reflective and outward focused.

Trust strategy begins from careful audits of each new school, understanding through due diligence processes the strengths and areas for development in each from the beginning. Each of our schools has a challenging improvement plan which is carefully monitored both by the academy council and the Trust Executive Team, overseen by the Trust's Board of Trustees. The Trust also captures areas of expertise that can share capacity to support other schools as well as school specific requirements. Bespoke high quality packages of support are facilitated, using the Trust's network of system leadership and core services. The school improvement model ensures that schools needing full recovery have strong support and monitoring. The Trust builds leadership and management capacity internally and trains and deploys their own NLEs, LLEs and SLEs via the Teaching School.

A major benefit of the model is formalised school to school support, impacting directly on all young people.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

(continued)

Leadership development and career opportunities within the Trust also directly impact on outcomes by providing secondment opportunities and breadth of experience to colleagues within the Trust. This school led system ensures the Trust schools have strong networks and a strong voice in their own future. Schools which join the Trust are able to help shape and develop its work and benefit both from the support they have received and the opportunities for school improvement they in turn are able to offer.

• **Public benefit**

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The Trust supports schools, both inside and outside the Trust, through the National Support School status of two of its academies, delivery of professional development, through the Trust's Leicester Teaching School Alliance, and the sharing of effective practice and knowledge to ultimately benefit the wider community.

The Academy's public benefit is enshrined in its charitable objectives, which state "to play a role in the regeneration of communities that the academies serve by increasing the belief of parents and carers in the purpose and value of education and valuing the partnership with families and children".

Strategic report

Achievements and performance

• **Key performance indicators**

By the end of 2019-20 the Trust is providing education for over 6,300 pupils in Leicester in ten schools, three of which are secondary (11-16 years) and seven of which are primary.

The Trust Board and Executive Team monitor a range of KPIs in all of the schools to ensure that issues are quickly identified and strategies are developed to address concerns. These include:

- pupil achievement
- outcomes of Ofsted inspections and Challenge Partner Reviews
- pupil attendance
- pupil behaviour (exclusions, bullying, racist incidents)
- staff training and development
- quality of teaching
- staff absence
- staff vacancies
- parents' evening attendance
- complaints

The quality of education provided by the Trust continues at a high standard. This is reflected in the results, the Challenge Partner Review of each school and the Ofsted inspections of the four TMET schools which have been inspected since joining the Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

School	Joined TMET	Ofsted grading on joining	Ofsted Grading now
Rushey Mead Academy	01/11/2015	Outstanding (2007)	Outstanding (continued from 2007)
North Mead Primary Academy	01/11/2015	Inadequate (2013)	Good (July 2018)
Willowbrook Mead Primary Academy	01/06/2016	Outstanding (2011)	Outstanding (continued from 2011)
Knighton Mead Primary Academy	01/06/2016	Good (2016)	Good (May 2019)
Thurnby Mead Primary Academy	01/07/2016	Good (2012)	Good (May 2019)
Rowlatts Mead Primary Academy	01/04/2017	Good (2013)	Good (Jan 2020)
Orchard Mead Academy	01/09/2017	Inadequate (2016)	N/A
Castle Mead Academy	23/08/2019	N/A	N/A
Abbey Mead Primary Academy	01/09/2019	Outstanding (2011)	Outstanding (continued from 2011)
Kestrel Mead Primary Academy	01/09/2019	Good (2017)	Good (continued from 2017)

School end of year results

2019-20 proved to be an unusual and challenging year due to the COVID-19 pandemic. As a result, there are no Key Stage 2 results for 2020.

The GCSE results for Rushey Mead and Orchard Mead Academies were based on Centre Assessed Grades, i.e. in depth teacher assessments of what the students would have achieved if they had sat their GCSE exams. The 2020 results are not being published by the DfE. Rushey Mead Academy exceeded national averages for attainment and progress, as it has done in previous years. Orchard Mead Academy showed an improvement on 2019 in overall attainment and progress as part of the significant improvement journey this school is on.

Leicestershire Secondary SCITT (School Centred Initial Teacher Training)

The SCITT works with a range of partnership schools in Leicester and Leicestershire and continues to achieve a high level of success. In 2019-20, it was successful in increasing the number of trainees to 59 trainees across 12 subjects, its biggest cohort yet. This included three Salaried School Trainees and one Researchers in Schools. Four trainees withdrew from the course and 51 achieved QTS (Qualified Teacher Status). Those who withdrew had various reasons but, overwhelmingly, teaching was not a career they wanted to pursue. Due to the lockdown, four trainees were not able to demonstrate sufficient evidence across the Teachers' Standards and they are extending their programme until the end of December 2020. The DfE recognised that a small proportion of trainees required additional time to obtain QTS and they have provided additional funding to trainees and providers.

Key Achievements:

- 98% of the SCITT NQTs are now working in Leicester/Leicestershire schools.
- Since 2013, the SCITT has trained 222 teachers.
- The number of partnership schools has grown to 56 (this includes primary, special, secondary, independent and sixth forms).
- During 2019-20, 161 teachers from the SCITT partner schools attended the following training: mentor training; the Power of Coaching; Cognitive Science; Tom Bennett conference. These were opportunities for

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

- colleagues in the partner schools to develop their mentoring skills.
- A new partnership has been developed with Thomas Estley Teaching Alliance to support them in delivering teaching training, involving an additional 20 trainees in 2020-2021 as part of the SCITT provision.
- The pilot Ofsted inspection in October 2019 identified a number of strengths and best practice. The outcome of the inspection and national developments has led to changes in the 2020-2021 programme with an increase in subject specific training.
- The External Moderator's report June 2020 noted the SCITT team should be commended on their approach to programme development. *'The practice is sector leading and they are proactive in terms of responding to the needs of the teaching profession and the local needs of the schools they work with.'*
- During COVID-19 and the schools in lockdown from late March, the SCITT successfully moved its training online. Remote learning ensured the vast majority of trainees were able to secure QTS. Trainees were supported with a spreadsheet of online opportunities, final QTS presentations via Zoom, regular book clubs and 1:1 check ins.

Teaching School

With the enforced lockdown coming into effect in March 2020, the Teaching School quickly moved to migrate a lot of its CPLD programmes online. This was achieved with considerable success and skill from the administrative team and the Teaching School was able to run a good number, including subject development programmes, Governor and Clerks development workshops, NPQs, Cognitive Science and subject networks. Evaluations from delegates were extremely positive and, moving forwards, the Teaching School has taken the decision to keep certain programmes online, such as the Clerks and Governor workshops, because delegates prefer this. Naturally, being unable to run all the scheduled programmes, some being incompatible to online delivery, the Teaching School did see an operating loss for the academic year. With schools very likely to significantly reduce their commitment to external CPLD that takes staff out of school this year, the Teaching School is expecting a slow return to pre-COVID levels of engagement in their programmes and training activities.

The Teaching School is, however, receiving a lot of commissioned work through the Leicester Primary Partnership and its Closing the Gap arm. This includes a lot of subject specific development for primary subject leads, a bespoke New Head Teachers Programme and development workshops for their governors. Much of this can be delivered online. In addition, a local academy trust continues to seek quite significant levels of system leader support from LLEs and SLEs in a number of areas across a number of its schools.

• **Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

● **Promoting the success of the company**

'Together we make a positive difference' signifies our Trust's determination to leverage the strength and depth that we have across the Trust to ensure that all our schools provide an excellent education for all learners. The trustees are committed to improving the outcomes for all our pupils whatever their starting points and needs. This is driven by moral integrity and a mission to make a positive difference to the lives and life chances of our pupils, their families and communities.

The Trust provides the underpinning systems, structures and the internal and external networks to support the work in our schools, enabling them to prioritise their time on the teaching and learning strategies and outcomes at their schools. The central Trust team provides expertise to address issues and risks in a timely manner and to support school leaders to develop practice in their school.

Staff development is a key priority in the Trust. We deliver effective, progressive, professional development opportunities for all staff who work within our schools. Talent spotting and succession planning throughout the Trust is an essential contributor to staff recruitment, retention and development.

The Trustees are committed working for the benefit of the wider community. For example, working with the wider community of schools, our Teaching School provides professional development for schools outside the Trust and our SCITT works with a range of partnership schools across Leicester and Leicestershire. In 2019-20 TMET worked with Leicester City Council to develop plans to open a series of DSPs (Designated Specialist Provision units) in Trust schools in 2020-21 in order to expand special educational needs provision in Leicester, a very much needed development. The Trust continues to work with Leicester City Council to support pupil place planning and, in 2019-20, agreed to pull forward the opening date of its next free school, Brook Mead Academy, to 2021 to meet pupil place needs. During the COVID lockdown from March to June 2020, our schools stayed open for key worker and vulnerable children, including through the Easter and half term holidays. The schools were committed to helping families in need, distributing food parcels and referring families to food banks and appropriate charities.

We ensure our school environments are fit for purpose and consider the environmental impact when making decisions with regards to our infrastructure. Some of the recent building developments in our schools have improved energy efficiency such as installation of double glazing and LED lighting.

As a Trust, we place an important emphasis on the professional conduct of our staff, trustees and visitors and all abide by a clear framework and policy. This includes being aware of equality, impartiality and the need to act fairly.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Financial review

• **Financial review**

The Academy Trust had a net increase in funds for the year ended 31 August 2020 of £878,101 including fixed assets movements but excluding pension reserve movements. As at 31 August 2020 the Trust held £1,999,686 of unrestricted reserves plus £3,422,287 of unspent (non fixed asset) restricted funds. The Trust therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £5,421,973.

The Trust had a pension deficit on their Local Government Pension Scheme of £14,832,000 at 31 August 2020 and a fixed asset reserve of £53,106,588 (being the book value of past purchases £52,370,051 plus £756,537 of unspent capital grants.)

Despite the global pandemic, there are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy, as core funding from both the Government and Local Authorities is currently expected to continue. The principal financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year other than the aforementioned pandemic.

The principal sources of funding for the Trust are the General Annual Grant (GAG) and other DfE Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

The Trust's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

THE MEAD EDUCATIONAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

● **Reserves policy**

The Trust Board review the actual reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The target setting level of reserves will be considered annually by the Finance and Audit Committee and this target will be recorded in the minutes of the committee. The level of reserves held is set at the Trust level, however, it is the expectation that each individual Academy will achieve a similar position. The Academy Trust needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding.

The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted non designated funds, plus unspent General Annual Grant (GAG), should be a minimum of one month's salary costs for the Trust, being approximately £2,555,101 as a minimum.

Actual non designated unrestricted funds plus unspent GAG as at 31 August 2020 were £5,009,465, being higher than the minimum target level set by the Trustees by £2,454,364. This figure compares the actual reserves to the position the Trust has set as an absolute minimum of one month salary cost in the reserves policy. There is no maximum reserve level currently quoted in this policy. Research shows that the identification of the minimum level for reserves varies significantly across Multi Academy Trusts and that there is little uniformity in this area. The Chief Financial Officer will continue to work with the Finance and Audit Committee during 2020-21 to ensure that the reserves are monitored and where appropriate allocated to projects that have a positive impact on the educational outcomes of all pupils. During 2019-20 a total of £895,000 was sanctioned as spend from the reserves available at 1 September 2019. It is likely that this figure would have been higher had it not been for the COVID-19 epidemic. Our planned reduction of pupil numbers at our two largest schools will mean that we have to ensure protection of these budgets during the transition years when income will often decrease faster than savings can be generated. This may mean approved support from reserves. A significant proportion of any increase in reserves during 2019-20 is the one-off effect of COVID-19. All mainstream income has been received in full, however there has been reduced expenditure on non-payroll costs due to almost five months of full or partial closure (including the local Leicester lockdown).

The Academy Trust also held other available restricted revenue funds at the year end of £381,826 which are detailed further within note 20. Therefore, total available revenue reserves at 31 August 2020, including designated funds of £30,682 set aside for Teaching School use, were £5,421,973. Cash at bank and investments bank accounts at 31 August 2020 were £1,856,296 higher than total available reserves due principally to capital income received in advance of payment plus various other accruals timing differences.

Included within unrestricted funds above were designated funds of £30,682 at 31 August 2020. The Trustees have identified £11,400 as the minimum level of reserves to be held by the Teaching School as this represents one month's salary costs.

At 31 August 2020 the Trust's fixed asset reserve of £53,106,588 represented £52,370,051 of funds which could only be realised if the assets were sold, plus £736,537 of unspent capital grants.

The only reserve in deficit at the year end was the pension reserve (deficit of £14,832,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

THE MEAD EDUCATIONAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

● **Investment policy**

The Trust's Investment Policy ensures that funds which the Academy Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise income but without risk. Our aim is to spend the public monies with which we are entrusted for the direct education benefit of pupils as soon as is prudent. The Academy Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good practice as and when circumstances allow.

The purpose of the Trust Investment Policy is:

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements
- To ensure there is no risk of loss in capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds

Guidelines are strict and include:

- Regular cash balance reports are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding creditors that are due for payment.
- Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested following approval from the Finance and Audit Committee. Approval must be signed off and recorded in the committee minutes.
- In making decisions regarding where and how any surplus funds should be invested, due regard will be given to risk. The Finance and Audit Committee will set a maximum level of investment with any single provider. This decision will be recorded in the minutes of this committee.
- The main bank account for each school attracts interest at the current rate of 0.1% regardless of any separate investment. This interest is paid directly into the bank account of the individual schools and is a true reflection of the interest earned on their own balances.
- Currently, it is expected that surplus funds will be invested with the existing banker Lloyds Bank in an instant access deposit account. There is potential for a better rate of return from investing a single value that may be a contribution from any combination of schools. The interest accrued would then be distributed proportionally to each school.
- The Finance and Audit Committee will receive a report at each meeting as to the performance of the investment.
- The Chief Financial Officer will research alternative sources of investment return at least twice a year and will report to the Finance and Audit Committee the options available. Any decision to diversify the investments must be recorded in the minutes of this committee.
- The Finance and Audit Committee will consider the ethical and moral standing of any alternative investment provider and they will ensure that this potential investment partner meet the standards that will be expected by the Trust Board.

The aim is to reach an appropriate level of reserve to allow the management and the Finance and Audit Committee to explore alternative investment possibilities with criteria being:

- Investment with a different counterparty (in order to reduce counterparty risk);
- Consideration of whether there should be a maximum level of investment with a single approved counterparty; and
- A longer term investment with a higher return (but not high risk investments which are not in the best interests of the Academy Trust).

THE MEAD EDUCATIONAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

● **Principal risks and uncertainties**

The Trust has a risk register which lists potential risks and actions to mitigate the risk. The risk register is reviewed by the Trust senior leaders and the Trustees. Each school has its own risk register which is kept under review by that academy senior leadership team and academy council.

The Trust identified key risks are:

- A failure to raise and maintain school standards. This is mitigated by rigorous monitoring of performance, early identification of under-performance followed by quick response, continued focus on high quality teaching and deployment of Trust support and development opportunities.
- A failure to recruit pupil numbers and resulting drop in funding. This is mitigated by developing strong marketing, particularly for the secondary academies. Pupil numbers (current and projected) are monitored closely.
- Failure to manage finances effectively resulting in financial insecurity and instability. This is mitigated by the appointment of a suitably qualified and experienced Chief Financial Officer (CFO) who is supported by a finance team, appropriate financial management processes and systems implemented Trust wide, frequent meetings of academy business managers with CFO, training and support for school business managers and rigorous addressing of recommendations from internal and external financial audits.
- The future financial viability of the LGPS pension scheme and increases in employer payroll on costs.
- Failure to achieve planned growth and capacity of Trust. This is being addressed by developing relationships and partnerships with other schools, by continuing to improve performance to develop the Trust track record and by ensuring that staff and pupils in Trust schools have a good experience and become ambassadors for the Trust.
- The Trust lacks the capacity and infrastructure to support its schools. This is mitigated by the appointment of a Trust central team which is supported by staff from schools who also have a Trust role, e.g. executive principals. The Teaching School plays a large part in supporting school improvement. Additional external support is commissioned as required and the workload and impact of central staff is kept under review as the Trust expands.
- Failure of the due diligence process resulting in the Trust taking in a school with significantly higher needs than expected and the resulting detrimental effect on the Trust and its existing Academies. This is being mitigated by the development of a rigorous and in depth due diligence process.
- Loss of key staff. This is mitigated by the appointment of a number of senior staff in the Trust, by the creation of the Trust Executive Team which meets frequently and by succession planning. It is also supported by a high priority on staff well-being and CPD to support retention.

Fundraising

Fundraising is very limited throughout the Trust. It is primarily related to pre-planned non uniform days for students/pupils. These events were mostly connected to annual national charity appeals such as Children in Need and Red Nose Day.

A total of £9,462 was raised across the Trust and paid across in full within the year end or post year end.

The Trust maintains separate nominal codes for charity income and expenditure and these accounts are reconciled to ensure all funds are paid out in full.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

The Academy's greenhouse gas emissions and energy consumption for the year are detailed below.

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the 2018 Regulations) implement the government's policy on Streamlined Energy and Carbon Reporting (SECR). The 2018 Regulations require large unquoted companies that have consumed more than 40,000 kWh of energy in the reporting period to include energy and carbon information within their trustees' report. For academy trusts, disclosures will be required for the first time in their 2019/20 accounts. TMET fits the definition of a large company.

www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides/streamlined-energy-and-carbon-reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	8,189,426
Energy consumption break down (kWh) (optional)	
• Gas (kWh)	5,395,987
• Electricity (kWh)	2,711,579
• Transport fuel (kWh)	81,064
• Business use / rental vehicles (kWh)	796
Scope 1 emissions in metric tonnes CO₂e	
Gas consumption	992.16
Owned transport – mini-buses	21.16
Total scope 1	1,013.32
Scope 2 emissions in metric tonnes CO₂e	
Purchased electricity	632.18
Total scope 2	632.18
Scope 3 emissions in metric tonnes CO₂e	
Business travel in employee owned vehicles	0.19
Total scope 3	0.19
Total gross emissions in metric tonnes CO₂e	1,645.69
Intensity ratio tonnes CO₂e per pupil	0.27

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.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

THE MEAD EDUCATIONAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

(continued)

Measures taken to improve energy efficiency

The following measures have been taken in 2019-20:

- Abbey Mead Primary Academy installed double glazed aluminium window replacements on 40% of the building. The academy has registered with the Eco-Schools programme and currently holds a Green Flag.
- Castle Mead Academy have not undertaken energy efficiency measures however, the academy has registered with the Eco-Schools programme.
- Kestrel Mead Primary Academy installed LED throughout the infant and junior buildings.
- Knighton Mead Primary Academy have not undertaken energy efficiency measures however, the academy has registered with the Eco-Schools programme and currently holds a Silver Award.
- North Mead Primary Academy have not undertaken energy efficiency measures however, the academy has registered with the Eco-Schools programme and currently holds a Bronze Award.
- Orchard Mead Academy have not undertaken energy efficiency measures however, the academy has registered with the Eco-Schools programme and currently holds a Green Flag.
- Rowlatts Mead Primary Academy have not undertaken energy efficiency measures however, the academy has registered with the Eco-Schools programme and currently holds a Green Flag.
- Rushey Mead Academy have not undertaken energy efficiency measures however, the academy has registered with the Eco-Schools programme and currently holds a Green Flag.
- Thurnby Mead Primary Academy installed aluminium double glazing to the dining hall and carried out a full roof replacement. The school is also signed up to the Eco-Schools programme and currently holds a Silver Award.
- Willowbrook Mead Primary Academy have not undertaken energy efficiency measures however, the academy has registered with the Eco-Schools programme and currently holds a Green Flag.
- Due to COVID, significant development in the capability of staff across the Trust to use video conferencing technology for meetings and training both inside and outside the Trust. This is expected to continue in the longer term.

Renewable Energy

Of all schools in The Mead Educational Trust, Kestrel Mead Primary Academy is the only site to generate renewable energy through a 167.6m² solar photovoltaic (PV) array which produces an estimated energy output of 23,578 kWh per year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

The Trust has clear strategic ambitions built on its vision and values, at the core of which is the determination that 'together we make a positive difference'. The Trust KPIs set out our high level aspirations and are grouped together under the headings of:

- Together we make a positive difference for our learners
- Together we make a positive difference through our governance
- Together we make a positive difference through our leadership
- Together we make a positive difference through our staff
- Together we make a positive difference to the educational landscape
- Together we make a positive difference through effective operations

The Trust Strategic Improvement Plan sets out how we will plan, guide and improve our Trust, ensuring there is a clear focus on raising standards and on improving leadership, governance, teaching and learning. We will also continue to develop a cost effective, sustainable organisation and a business model that delivers efficiency, effectiveness and economies of scale in order to free up more resources for pupils and school improvement. Our first phase of development concentrated on building capacity in order to realise our ambition to assist schools with greater needs, including full recovery where required. The Trust Strategic Improvement Plan is taking us through our next phase of growth.

Growth

The Trust is now a well-established, respected, cross phase MAT comprising ten schools, the Teaching School, SCITT, over 6,000 pupils, a combined GAG income of £28 million and a total income in excess of £36 million.

The ambition of the Trust is to grow further in membership in order to create both value for money central services and a highly responsive school improvement model. A key aim of the Trust is to have a balance of schools at different starting points in their journey of improvement, therefore creating effective capacity for sponsorship. The Trust intends to grow its membership in a carefully controlled way to extend its reach and impact in its local communities.

The Trust is due to open another new secondary school in Leicester, Brook Mead Academy, in 2021.

To develop school improvement capacity further, the Trust has developed working partnerships with a number of secondary schools in Leicestershire.

The central Trust team is developing alongside the growth in the number of schools to provide capacity to support sustainable improvement. In September 2019 the Trust established a centralised IT team and in January 2020 Mark Oldman started in the new post of Trust Director of Inclusion and SEND. The Trust Growth Strategy focuses on the expansion of the Trust's school improvement offer. It also includes the development of the central Trust services to support school improvement and to achieve more effective provision and value for money. These include services in HR, data management, management accountancy, business operations, marketing and communications.

Funds held as custodian on behalf of others

The Academy Trust does not hold funds on behalf of any other organisations.

THE MEAD EDUCATIONAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, Magma Audit LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 26 January 2021 and signed on its behalf by:



Anthony Glover
Chair of Trustees

THE MEAD EDUCATIONAL TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Mead Educational 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.

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Mead Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

Attendance during the year at meetings of the Board of Trustees is presented in the following table. Victoria Bishop ceased to be a Trustee before the first meeting of the year. Gemma Bhagalia went on maternity leave in March 2020.

Trustee	Meetings attended	Out of a possible
Anthony Glover, Chair of Trustees	7	8
Carolyn Robson, Chief Executive	8	8
Gemma Bhagalia	3	8
Rachael Clarke	6	8
Victoria Bishop	0	0
Elaine Taylor	8	8
Kirsty Holt	7	8
Kasar Singh	6	8
Deepak Karia	6	8
Hetal Parmar, Vice-Chair of Trustees	7	8
Hiten Mehta	7	8

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

During the year there has been one Trustee resignation: Victoria Bishop (25 September 2019). There have been no Trustee appointments.

The Board of Trustees had planned four meetings during 2019-20 but arranged additional meetings in April to August 2020 due to the COVID-19 pandemic. Therefore, the Board formally met eight times during the year.

Effective oversight of funds is maintained through the year via:

- 4 Board meetings
- 4 Finance and Audit Committee meetings (5 in 2019-20)
- Monthly budget management reports which are sent to the Trust CEO, Chair of Trustees and Chair of Finance and Audit Committee and are shared with all Trustees on GovernorHub
- Twice yearly meetings of the CFO with the Chair of the Finance and Audit Committee to provide the opportunity for that Chair to interrogate financial management across the Trust.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and Audit Committee is a committee of the Board of Trustees. Its purpose is to provide assurance over the sustainability of, and compliance with, the Trust's financial systems and operational controls. The committee's role is to maintain an oversight of the Trust's financial governance, risk management, internal control and value for money framework. This committee incorporates the role of an Audit Committee. Whilst academy councils draft their annual budget and set their own staffing levels, the Board of Trustees has overall responsibility of approving or not approving these recommendations prior to submission to the ESFA by the deadline (usually 31 July each year but extended to September in 2020 due to COVID-19).

Attendance at Finance and Audit Committee meetings in 2019-20 was as follows:

Trustee	Meetings attended	Out of a possible
Rachael Clarke	4	5
Deepak Karia	4	5
Hiten Mehta	5	5
Kasar Singh	5	5

The Education Committee provides assurance to the Trust Board on the standards, performance and safeguarding of all schools and education providers within TMET. The committee monitors and evaluates pupil progress and attainment and the quality of teaching, ensuring the Trust provides a consistently high quality learning experience and delivers a broad and balanced curriculum in keeping with the Trust's aims and vision, all pupil needs and legal requirements.

Attendance at Education Committee meetings in 2019-20 was as follows:

Trustee	Meetings attended	Out of a possible
Gemma Bhagalia	3	4
Victoria Bishop	1	1
Anthony Glover	3	4
Elaine Taylor	4	4

Governance reviews

The Board of Trustees has driven significant development in the Trust this year, and these are grouped under the six key features of effective governance as set out in the DfE Governance Handbook.

Strategic leadership:

- Discussions and decisions on school reopening after COVID-19 closures.
- Discussions on Trust growth – new schools and the development of the central team.
- Development of a new Trust Strategic Improvement Plan.
- Risk management.

Accountability:

- Review and challenge of school educational performance and improvement information, including scrutiny of data and Challenge Partner reviews and through presentations by principals.
- Review and challenge of financial performance, including approval of budget, monitoring of Trust budget and oversight of outcomes of financial audits.
- Scrutiny of pay recommendations of Trust senior leaders' salary levels and independent benchmarking report (through Board Remuneration Committee).
- Consideration of the impact the Trust has had on its schools.
- Attendance of Trustees at the Members' meeting in February 2020 where they were questioned about the effectiveness of governance in the Trust.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

People:

- Development of the Trust central team, including recruitment of the Trust Director of Inclusion and SEND.
- Restructure to a centralised IT team to provide support for all the schools and the Trust central team.
- Development of the Trust's capacity to support school improvement.
- Attendance of the Board Chair and Vice Chair at the termly Chairs' and Vice Chairs' Forum to meet with the Head of Governance and all the academy council chairs.
- All new Trustees and academy councillors attend Trust induction.
- Good engagement with governance training provided by TMET and Teaching School.
- Recruitment of a new clerk for two schools.

Structures:

- The Board committees effectively fulfilled their roles.

Compliance:

- Review of latest version of Academies Financial Handbook and updating of practices and relevant policies to bring them in line.
- A comprehensive QA system is carried out with reviews and audits of Trust and schools, including financial audits, Challenge Partner Reviews, Safeguarding Healthchecks and website reviews.

Evaluation:

- A governance survey was carried across the Trust in January 2020 and this has led to developments in support, training and communications.

THE MEAD EDUCATIONAL TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

Centralisation of 'bespoke' business and management support with individual schools. The objective of any change has been to enable the school principals to fully focus on the core business of teaching and learning, raising standards, and achieving improved outcomes for pupils.

The following are examples of actions in 2019-20 to achieve better value for money across the Trust:

- Continued centralisation of the individual school bank accounts to improve the efficiency of operations and to enhance the controls around cash flow.
- Continued engagement of internal audit through Leicestershire County Council.
- Employment of Trust HR Manager and continued provision of external professional HR support.
- Ensuring the Trust business management arrangements are effective and efficient and enable the Trust to deliver its commitments, and to grow and prosper.
- Further development of the forums for principals, chairs and vice chairs and business/finance staff throughout the Trust to discuss and develop best practice.
- Providing appropriate training for finance staff to ensure that all academies within the Trust can utilise the benefits of a single finance system through PS Financials.
- Providing appropriate training for finance staff to ensure that all academies within the Trust can utilise the benefits of a single budget system through Orovia.
- Enabling each Trust school participating in central contracts to openly and transparently share the financial savings that these efficiencies bring.
- Negotiating Trust wide contracts such as catering and payroll. Reviewing all contracts held across the Trust, identifying opportunities to improve value for money.
- Merger of all Trust schools within one cloud central domain to achieve greater efficiencies and more opportunities to collaborate.
- Restructure of school and Trust IT support into a Central IT Support Team to achieve better value for money and a more effective and consistent service.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Mead Educational Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

THE MEAD EDUCATIONAL TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided to employ Leicestershire County Council as internal auditor.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

- testing on payroll systems
- testing of purchase systems
- testing of control accounts and bank reconciliations

On an annual basis, the internal auditor reports to the Board of Trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The 2019-20 internal audits for the ten schools and the central Trust function were completed in May and June 2020 by Leicestershire County Council. In all cases, there were no significant or concerning issues.

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

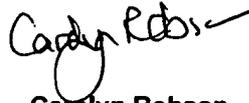
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 26 January 2021 and signed on their behalf by:



Anthony Glover
Chair of Trustees



Carolyn Robson
Accounting Officer

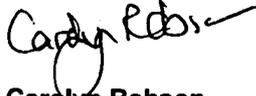
THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Mead Educational Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



Carolyn Robson
Accounting Officer
Date: 26 January 2021

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 26 January 2021 and signed on its behalf by:



Anthony Glover
Chair of Trustees

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
MEAD EDUCATIONAL TRUST**

Qualified opinion

We have audited the financial statements of The Mead Educational Trust (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for qualified opinion

Due to a lack of land and buildings valuations for the two new converter schools, Abbey Mead Primary Academy and Kestrel Mead Primary Academy, the Multi-Academy Trust was unable to account for the value of rights to land and buildings in accordance with FRS102 and we have been unable to satisfy ourselves about the amount of the restricted fixed asset fund at the date of conversion, or at 31 August 2020. Other alternative audit procedures were not available to us.

As detailed in note 14 to the financial statements, at the date of approval of the financial statements, there were no indications of the valuations of the land and buildings of Abbey Mead Primary Academy and Kestrel Mead Primary Academy inherited on conversion to the Multi-Academy Trust or at 31 August 2020. Had this valuation been available, the value would have been included as a fixed asset on the balance sheet, and would have increased the restricted fixed asset fund. Any valuation inherited on conversion would have been included in the Statement of Financial Activities within 'donations and capital grants – transfer from Local Authority on conversion'.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 qualified opinion.

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
MEAD EDUCATIONAL TRUST (CONTINUED)**

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the valuations of the land and buildings of Abbey Mead Primary Academy and Kestrel Mead Primary Academy inherited on conversion to the Multi-Academy Trust or at 31 August 2020. Had this valuation been available, the value would have been included as a fixed asset on the balance sheet, and would have increased the restricted fixed asset fund. Any valuation inherited on conversion would have been included in the Statement of Financial Activities within 'donations and capital grants – transfer from Local Authority on conversion'.

Opinion on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

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

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
MEAD EDUCATIONAL TRUST (CONTINUED)**

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

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

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

Use of our report

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

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
MEAD EDUCATIONAL TRUST (CONTINUED)

Magma Audit LLP

Luke Turner ACA FCCA (Senior Statutory Auditor)
for and on behalf of
Magma Audit LLP
Chartered Accountants
Statutory Auditors
Unit 2, Charnwood Edge Business Park

System Road
Cossington
Leicestershire
LE7 4UZ

26/1/21

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MEAD EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Mead Educational Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Mead Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Mead Educational Trust's funding agreement with the Secretary of State for Education dated 10 June 2014 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the Academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MEAD
EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Magma Audit LLP

Reporting Accountant
Magma Audit LLP

Unit 2, Charnwood Edge Business Park
Syston Road
Cossington
Leicestershire
LE7 4UZ

Date: *26/1/20*

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	3					
Transfer from Local Authority on conversion		228,371	(1,871,507)	87,022	(1,556,114)	-
Other donations and capital grants		4,844	432,696	892,081	1,329,621	1,378,221
Charitable activities:	4					
Funding for the Academy Trust's educational operations		-	33,936,395	-	33,936,395	25,699,163
Teaching school		134,489	105,776	-	240,265	641,015
SCITT		-	919,465	-	919,465	617,464
Other trading activities	5	154,477	-	-	154,477	265,252
Investments	6	24,799	-	-	24,799	26,330
Total income		546,980	33,522,825	979,103	35,048,908	28,627,445
Expenditure on:						
Raising funds		104,638	-	-	104,638	194,100
Charitable activities:						
Academy Trust's educational operations		-	34,337,096	2,262,433	36,599,529	27,423,141
Teaching school		127,950	80,175	-	208,125	626,388
SCITT		-	894,515	-	894,515	643,060
Total expenditure		232,588	35,311,786	2,262,433	37,806,807	28,886,689
Net income/(expenditure)		314,392	(1,788,961)	(1,283,330)	(2,757,899)	(259,244)
Transfers between funds	20	(34,686)	(1,125,022)	1,159,708	-	-
Net movement in funds before other recognised gains/(losses) carried forward		279,706	(2,913,983)	(123,622)	(2,757,899)	(259,244)

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Net movement in funds before other recognised gains/(losses) brought forward	279,706	(2,913,983)	(123,622)	(2,757,899)	(259,244)
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	29 -	(170,000)	-	(170,000)	(3,182,000)
Net movement in funds	279,706	(3,083,983)	(123,622)	(2,927,899)	(3,441,244)
Reconciliation of funds:					
Total funds brought forward	1,719,980	(8,325,730)	53,230,210	46,624,460	50,065,704
Net movement in funds	279,706	(3,083,983)	(123,622)	(2,927,899)	(3,441,244)
Total funds carried forward	1,999,686	(11,409,713)	53,106,588	43,696,561	46,624,460

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 44 to 80 form part of these financial statements.

THE MEAD EDUCATIONAL TRUST

(A Company Limited by Guarantee)
REGISTERED NUMBER: 09079258

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	52,370,051	52,344,998
		<u>52,370,051</u>	<u>52,344,998</u>
Current assets			
Stocks	15	116,251	96,846
Debtors	16	1,560,320	1,495,269
Investments	17	4,508,562	2,500,000
Cash at bank and in hand		2,769,707	3,568,790
		<u>8,954,840</u>	<u>7,660,905</u>
Creditors: amounts falling due within one year	18	(2,673,884)	(2,212,685)
Net current assets		<u>6,280,956</u>	<u>5,448,220</u>
Total assets less current liabilities		<u>58,651,007</u>	<u>57,793,218</u>
Creditors: amounts falling due after more than one year	19	(122,446)	(142,758)
Net assets excluding pension liability		<u>58,528,561</u>	<u>57,650,460</u>
Defined benefit pension scheme liability	29	(14,832,000)	(11,026,000)
Total net assets		<u><u>43,696,561</u></u>	<u><u>46,624,460</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset fund	20	53,106,588	53,230,210
Restricted income fund	20	3,422,287	2,700,270
		<u>56,528,875</u>	<u>55,930,480</u>
Restricted funds excluding pension liability	20	56,528,875	55,930,480
Pension reserve	20	(14,832,000)	(11,026,000)
Total restricted funds	20	<u>41,696,875</u>	<u>44,904,480</u>
Unrestricted income funds	20	<u>1,999,686</u>	<u>1,719,980</u>
Total funds		<u><u>43,696,561</u></u>	<u><u>46,624,460</u></u>

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 39 to 80 were approved by the Trustees, and authorised for issue on 26 January 2021 and are signed on their behalf, by:



Anthony Glover
Chair of Trustees

The notes on pages 44 to 80 form part of these financial statements.

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	22	2,509,163	856,541
Cash flows from investing activities	24	(1,283,584)	(272,303)
Cash flows from financing activities	23	(16,100)	(27,457)
Change in cash and cash equivalents in the year		1,209,479	556,781
Cash and cash equivalents at the beginning of the year		6,068,790	5,512,009
Cash and cash equivalents at the end of the year	25, 26	<u>7,278,269</u>	<u>6,068,790</u>

The notes on pages 44 to 80 form part of these financial statements

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Mead Educational Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

The Academy Trust is benefiting from the ESFA's Free School Building Programme. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the Academy Trust controls through lease the site where a development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

• **Donations**

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

• **Other income**

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

Notional income and notional expenditure have been recognised in the statement of financial activities incorporating income and expenditure account in relation to the apprenticeship levy in line with the provision of training received.

• **Donated goods, facilities and services**

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

Donations for facilities and services are included in incoming resources when the benefit to the Academy Trust is reasonably quantifiable and measurable. The rental value of facilities being used by Rushey Mead Academy are included in donations at a value the Academy Trust would have to pay at

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

an open market value.

- **Transfer on conversion**

Where assets are received by the Academy Trust on conversion to an Academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risk and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within income from donations and capital grants. The land and buildings are held on a 125 year lease with the Local Authority (LA). The cost of the land and buildings was arrived at using either the ESFA or Leicestershire County Council standard valuation on a depreciated replacement cost basis provided to the Academy Trust. This provided a value for the land and buildings as at the date of conversion.

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

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

1.4 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.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

- **Grants payable**

These are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold buildings	- 2-5% straight line
Leasehold land (125 year lease)	- over 125 years
Furniture and fixtures	- 15% straight line
Computer equipment	- 25% straight line
Motor vehicles	- 20% straight line

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.

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 Stocks

Classroom consumables, unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Current asset investments are cash or cash equivalents with a maturity date of less than one year valued at fair value.

1.12 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 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.

1.13 Provisions

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

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

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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.

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.15 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.16 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

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

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

1.17 Conversion to an academy trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Kestrels' Field Primary School and Abbey Primary Community School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 27.

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.18 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

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

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

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment, and note 1.8 for the useful economic lives for each class of assets.

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Transfer from Local Authority on conversion	228,371	(1,871,507)	87,022	(1,556,114)	-
Capital grants	-	-	883,387	883,387	941,397
Donations	4,844	-	8,694	13,538	4,128
Donated use of asset	-	432,696	-	432,696	432,696
	<u>233,215</u>	<u>(1,438,811)</u>	<u>979,103</u>	<u>(226,493)</u>	<u>1,378,221</u>
<i>Total 2019</i>	<u>4,128</u>	<u>432,696</u>	<u>941,397</u>	<u>1,378,221</u>	

THE MEAD EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	28,179,306	28,179,306	21,858,829
Other DfE/ESFA grants	-	4,042,797	4,042,797	3,012,830
Teaching School	-	59,203	59,203	465,617
	-	32,281,306	32,281,306	25,337,276
Other government grants				
Special Educational Needs (SEN)	-	680,268	680,268	385,984
Early Years Single Funding Formula (EYSFF)	-	699,338	699,338	335,284
Pupil Premium (LAC)	-	23,444	23,444	28,976
Other grants	-	166,392	166,392	-
	-	1,569,442	1,569,442	750,244
Other funding				
School Centred Initial Teacher Training (SCITT)	-	919,244	919,244	617,464
Other funding	-	25,642	25,642	62,749
Teaching School	134,489	46,573	181,062	175,398
Apprenticeship levy	-	22,647	22,647	14,511
	134,489	1,014,106	1,148,595	870,122
Exceptional government funding				
Coronavirus exceptional support	-	96,782	96,782	-
	134,489	34,961,636	35,096,125	26,957,642
Total 2019	156,414	26,801,228	26,957,642	

THE MEAD EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Lettings income	47,455	47,455	41,670
Consultancy income	10,884	10,884	1,540
Other income	96,138	96,138	222,042
	<u>154,477</u>	<u>154,477</u>	<u>265,252</u>
<i>Total 2019</i>	<u>265,252</u>	<u>265,252</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Bank interest	24,799	24,799	26,330
	<u>26,330</u>	<u>26,330</u>	
<i>Total 2019</i>	<u>26,330</u>	<u>26,330</u>	

THE MEAD EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total 2019 £</i>
Expenditure on fundraising trading activities:					
Direct costs	14,071	-	-	14,071	-
Allocated support costs	42,064	-	48,503	90,567	194,100
Charitable Activities:					
Direct costs	20,431,967	1,696,825	2,652,152	24,780,944	18,792,498
Allocated support costs	8,551,187	2,712,299	1,657,739	12,921,225	9,900,091
	<u>29,039,289</u>	<u>4,409,124</u>	<u>4,358,394</u>	<u>37,806,807</u>	<u>28,886,689</u>
<i>Total 2019</i>	<u>21,444,517</u>	<u>3,445,154</u>	<u>3,997,018</u>	<u>28,886,689</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Educational operations	<u>24,780,944</u>	<u>12,921,225</u>	<u>37,702,169</u>	<u>28,692,589</u>
<i>Total 2019</i>	<u>18,792,498</u>	<u>9,900,091</u>	<u>28,692,589</u>	

THE MEAD EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Charitable Activities 2020 £	Total funds 2020 £	<i>As restated Total funds 2019 £</i>
LGPS pension interest cost (£532,000) less return on assets (£273,000)	259,000	259,000	196,000
Staff costs	20,400,831	20,400,831	14,670,112
Depreciation	1,696,825	1,696,825	1,326,646
Educational supplies	813,499	813,499	652,588
Examination fees	190,433	190,433	223,301
Staff development	164,696	164,696	154,834
Other direct costs	433,387	433,387	933,048
Teaching school and SCITT expenses	681,958	681,958	553,493
Technology costs	140,315	140,315	82,476
	<u>24,780,944</u>	<u>24,780,944</u>	<u>18,792,498</u>
<i>Total 2019</i>	<u>18,792,498</u>	<u>18,792,498</u>	

THE MEAD EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable Activities 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	8,243,864	8,243,864	6,222,419
Depreciation	565,608	565,608	442,215
Recruitment	63,150	63,150	61,755
Maintenance of premises and equipment	437,237	437,237	293,460
Cleaning	138,510	138,510	105,880
Rent & rates	867,023	867,023	689,554
Insurance	237,427	237,427	171,615
Catering	704,497	704,497	420,735
Legal and professional fees	96,771	96,771	77,179
Other support costs	486,326	486,326	449,199
Security and transport	79,454	79,454	69,030
Technology costs	457,888	457,888	432,729
Energy costs	465,213	465,213	384,428
Governance costs	78,257	78,257	79,893
	<u>12,921,225</u>	<u>12,921,225</u>	<u>9,900,091</u>
<i>Total 2019</i>	<u>9,900,091</u>	<u>9,900,091</u>	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	<i>2019 £</i>
Operating lease rentals	45,781	35,232
Depreciation of tangible fixed assets	2,262,433	1,768,861
Loss on disposal of fixed assets	-	3,949
Fees paid to auditors for:		
- audit	34,500	32,000
- other services	27,100	25,000
	<u>2,337,814</u>	<u>1,864,042</u>

THE MEAD EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	20,647,374	15,829,380
Social security costs	2,006,925	1,530,524
Pension costs	6,046,531	3,670,701
	<u>28,700,830</u>	<u>21,030,605</u>
Agency staff costs	307,323	352,202
Staff restructuring costs	31,136	61,710
	<u>29,039,289</u>	<u>21,444,517</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	-	56,584
Severance payments	31,136	5,126
	<u>31,136</u>	<u>61,710</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	311	209
Administration and support	533	426
Management	16	16
	<u>860</u>	<u>651</u>

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

c. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	11	<i>5</i>
In the band £70,001 - £80,000	5	<i>5</i>
In the band £80,001 - £90,000	3	<i>3</i>
In the band £90,001 - £100,000	3	<i>2</i>
In the band £100,001 - £110,000	1	<i>1</i>
In the band £120,001 - £130,000	1	<i>-</i>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £773,166 (2019 - £644,844). These figures include salary costs of all Trustees employed by the Academy Trust, even where they have no management role within their employment.

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Central services

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

- human resources
- financial services
- legal services
- educational support services
- others as arising

The Academy charges for these services on the following basis:

5% of GAG funding.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Abbey Mead Primary Academy	144,440	-
Castle Mead Academy	82,368	-
Kestrel Mead Primary Academy	121,861	-
Knighton Mead Primary Academy	58,783	52,182
North Mead Primary Academy	95,644	86,142
Orchard Mead Academy	339,806	334,356
Rowlatts Mead Primary Academy	80,842	69,660
Rushey Mead Academy	422,645	417,317
Thurnby Mead Academy	61,881	55,301
Willowbrook Mead Primary Academy	97,515	88,266
Total	1,505,785	1,103,224

12. Trustees' remuneration and expenses

The Chief Executive Officer (CEO) has been paid remuneration or has received other benefits from an employment with the Academy Trust. The CEO only receives remuneration in respect of services they provide undertaking the role of a CEO under their contract of employment.

The value of Trustees' remuneration and other benefits was as follows:

Carolyn Robson (Chief Executive Officer and Trustee)

Remuneration £90,000 - £95,000 (2019: £90,000 - £95,000)

Employer's pension contributions £NIL (2019: £NIL)

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

Castle Mead Academy has opted into the Department for Education's 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 membership.

14. Tangible fixed assets

	Leasehold land and buildings £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	53,286,940	2,202,156	1,410,099	-	56,899,195
Additions	902,683	510,618	838,135	36,050	2,287,486
At 31 August 2020	<u>54,189,623</u>	<u>2,712,774</u>	<u>2,248,234</u>	<u>36,050</u>	<u>59,186,681</u>
Depreciation					
At 1 September 2019	3,080,249	768,732	705,216	-	4,554,197
Charge for the year	1,353,252	403,360	496,809	9,012	2,262,433
At 31 August 2020	<u>4,433,501</u>	<u>1,172,092</u>	<u>1,202,025</u>	<u>9,012</u>	<u>6,816,630</u>
Net book value					
At 31 August 2020	<u>49,756,122</u>	<u>1,540,682</u>	<u>1,046,209</u>	<u>27,038</u>	<u>52,370,051</u>
At 31 August 2019	<u>50,206,691</u>	<u>1,433,424</u>	<u>704,883</u>	-	<u>52,344,998</u>

See note 1.3 regarding assets transferred on conversion.

The Multi-Academy Trust has been unable to obtain the property valuations at conversion for Abbey Mead Primary Academy and Kestrel Mead Primary Academy at the time of approval of the 2020 accounts. The land and buildings valuation will be brought into the accounts when an independent valuation is received and will be reflected as a prior year adjustment in the 31 August 2021 financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Stocks

	2020 £	2019 £
Classroom and other materials	<u>116,251</u>	<u>96,846</u>

16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	77,544	91,487
VAT recoverable	497,896	354,363
Prepayments and accrued income	977,152	995,454
Other debtors	7,728	53,965
	<u>1,560,320</u>	<u>1,495,269</u>

17. Current asset investments

	2020 £	2019 £
Current asset investments - Lloyds Bank	<u>4,508,562</u>	<u>2,500,000</u>

Current asset investments consists of fixed interest rate deposit accounts with Lloyds Bank, being a 32 day notice investment of £1,508,562 at 0.1% and an investment of £3,000,000 at 1.05% maturing on 22 February 2021.

18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	37,158	32,946
Trade creditors	497,470	409,016
Other taxation and social security	481,679	373,703
Other creditors	647,872	551,797
Accruals and deferred income	1,009,705	845,223
	<u>2,673,884</u>	<u>2,212,685</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due within one year (continued)

	2020	2019
	£	£
	2020	2019
	£	£
Deferred income		
Deferred income at 1 September 2019	393,833	625,846
Resources deferred during the year	525,845	393,833
Amounts released from previous periods	(393,833)	(625,846)
	525,845	393,833
	525,845	393,833

The closing balance of deferred income mainly relates to funding for the Universal Infant Free School Meals and SCITT income received in advance of the 2020/21 academic year.

19. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Other loans	122,446	142,758
	122,446	142,758
	122,446	142,758

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020	2019
	£	£
Payable or repayable by instalments	16,469	54,907
	16,469	54,907
	16,469	54,907

The above creditor relates to the early termination of the Building Schools for the Future (BSF) contract, Condition Improvement Fund (CIF) loans and a Salix loan.

The CIF loans consists of loans for a roofing project, a windows project, a heating project, and water system improvements as approved by the Education and Skills Funding Agency.

The loans are repayable over a 6 and 8 year period respectively and are to be repaid via deductions from General Annual Grant.

The Salix loan was entered into prior to Kestrel Mead Primary Academy joining the Trust. The loan was taken out as part of an energy efficiency programme and is repayable over 5 years.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Designated funds						
Teaching School	24,143	134,489	(127,950)	-	-	30,682
Unrestricted funds						
General funds	1,695,837	412,491	(104,638)	(34,686)	-	1,969,004
Total Unrestricted funds	1,719,980	546,980	(232,588)	(34,686)	-	1,999,686
Restricted general funds						
General Annual Grant	2,496,523	28,179,306	(26,562,136)	(1,073,232)	-	3,040,461
Pupil Premium	725	1,998,722	(1,833,938)	-	-	165,509
Other DfE Group grants	62,872	2,044,075	(2,014,988)	-	-	91,959
Other government grants	31,154	1,666,224	(1,695,278)	-	-	2,100
Other funding	18,546	48,289	(13,730)	(8,890)	-	44,215
Teaching School	15,371	105,776	(80,175)	-	-	40,972
SCITT	75,079	919,244	(893,845)	(42,900)	-	57,578
Notional rent	-	432,696	(432,696)	-	-	-
Deficit inherited on conversion	-	(20,507)	-	-	-	(20,507)
Pension reserve	(11,026,000)	(1,851,000)	(1,785,000)	-	(170,000)	(14,832,000)
	(8,325,730)	33,522,825	(35,311,786)	(1,125,022)	(170,000)	(11,409,713)
Restricted fixed asset funds						
DfE Group capital grants	3,789,045	883,387	(345,443)	-	-	4,326,989
Other government grants	170,529	-	(48,100)	-	-	122,429
Capital refresh	424,421	-	(100,681)	-	-	323,740
Other capital income	8,482	8,694	(4,079)	-	-	13,097
Transfer from Local Authority	48,214,666	87,022	(1,402,107)	-	-	46,899,581
Capital expenditure from GAG	623,067	-	(362,023)	1,159,708	-	1,420,752

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
	53,230,210	979,103	(2,262,433)	1,159,708	-	53,106,588
Total Restricted funds	44,904,480	34,501,928	(37,574,219)	34,686	(170,000)	41,696,875
Total funds	46,624,460	35,048,908	(37,806,807)	-	(170,000)	43,696,561

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

Designated funds

The Teaching School fund relates to historic surpluses which have been built up prior to conversion to an Academy Trust plus any subsequent surpluses generated.

Restricted funds

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions purchased in the year.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. The closing balance has been spent in the Autumn 2020 term.

The other DfE group restricted funds consists of Universal Infant Free School Meals, Free School Meals, PE Sports Grant, National Support School Bursary, Year 7 Catch Up Grant, Teachers Pay Grant, Teachers Pension Grant, Conversion Grants, National College for Teaching Leadership school salaried direct income, school improvement funding, DfE income and free school income. One-off income in relation to the Coronavirus pandemic was received during the year for a digital learning platform and to fund additional costs incurred during the pandemic. The closing balance relates to PE Sports Grant of £12,820, Year 7 Catch Up Grant of £43,433, free school income of £30,000 and the free school opening Grant of £5,706.

Other government grants consists of Special Educational Needs (SEN) income, Early Years Single Funding Formula (EYSFF), School Development Support Agency, Education Improvement Funding, Other Local Authority Grants and Pupil Premium Looked After Children. The closing balance relates to the Local Authority income of £2,100 for expenditure planned in the Autumn 2020 term.

Other funding consists of Leicestershire police income, Loughborough College income, milk income, apprentice incentives income, talking together income, family action funding, tenner challenge income, recharges for ICT services and specific funds to be spent towards laptops during the pandemic. The closing balance relates to the tenner challenge for £500, income from recharges of £27,809, Science Hub and Spoke balance brought forward of £15,906.

Teaching School relates to income from National College for Teaching and Leadership (NCTL) which includes the Teaching School Core Grant, School to School Support (STSS), Sport England Grant, SSIF income, William Allett Grant, Education Improvement Funding, and various other project income. The closing balance relates to Special Leaders of Education online community fund £5,000, SSIF grant of

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Statement of funds (continued)

£12,671, Education Improvement Funding of £1,667, Sports England of £16,364 and William Allett Grant of £5,270.

School Centred Initial Teacher Training (SCITT) income relates to bursaries, tuition fees and programme fees funded by the DfE and other educational institutions. The closing balance relates to SCITT of £57,578.

Apprenticeship levy relates to notional income and expenditure recognised in relation to the training received by the Academy Trust as part of the scheme.

Notional rent relates to the notional income and expenditure recognised in relation to the mobile classrooms donated for use from the Local Authority.

The deficit inherited on conversion is the amount transferred from Local Authority in relation to Abbey Primary School.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Restricted fixed asset funds

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned plus unspent funds of £613,715.

Other government grants relate to Big Lottery Grant's and Local Authority money received for fixtures and fittings, IT equipment and an outdoor gym. The closing balance relates to the net book value of the assets concerned.

The capital refresh money is an amount which has been reserved for ICT capital expenditure which stems from when Rushey Mead School was under Local Authority control. The closing balance relates to the net book value of the assets plus unspent funds of £122,821. The closing balance can only be used towards capital expenditure in Rushey Mead Academy, rather than in other Trust academies within The Mead Educational Trust.

Other capital income relate to funding received from various sources to purchase fixed assets. The closing balance relates to the net book value of the assets.

The transfer from Local Authority relates to the value of £51,919,276 (leasehold land and buildings plus moveable assets) transferred from the Local Authority to the Academy Trust on conversion. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Abbey Mead Primary Academy	91,567	-
Castle Mead Academy	171,681	1,428
Kestrel Mead Primary Academy	202,669	-
Knighton Mead Primary Academy	161,138	206,995
North Mead Primary Academy	79,071	45,270
Orchard Mead Academy	1,093,043	1,000,512
Rowlatts Mead Primary Academy	381,685	452,484
Rushey Mead Academy	2,266,719	1,862,690
Thurnby Mead Academy	175,890	186,375
Willowbrook Mead Primary Academy	176,114	311,934
Central services	622,396	352,562
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	5,421,973	4,420,250
Restricted fixed asset fund	53,106,588	53,230,210
Pension reserve	(14,832,000)	(11,026,000)
	<hr/>	<hr/>
Total	43,696,561	46,624,460

THE MEAD EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Abbey Mead Primary Academy	1,971,921	322,755	39,471	366,964	2,701,111	-
Castle Mead Academy	1,027,031	161,430	46,842	226,137	1,461,440	31,533
Kestrel Mead Primary Academy	1,942,898	249,352	31,779	388,357	2,612,386	-
Knighton Mead Primary Academy	877,644	143,697	40,988	173,445	1,235,774	1,275,647
North Mead Primary Academy	1,385,652	237,890	56,745	283,163	1,963,450	2,020,567
Orchard Mead Academy	4,996,486	632,253	112,799	934,814	6,676,352	6,641,159
Rowlatts Mead Primary Academy	1,247,298	232,092	31,974	166,166	1,677,530	1,654,218
Rushey Mead Academy	6,567,358	1,296,624	87,149	2,113,838	10,064,969	10,452,501
Thurnby Mead Academy	993,316	147,557	35,153	194,050	1,370,076	1,357,930
Willowbrook Mead Primary Academy	1,505,156	222,314	54,000	317,933	2,099,403	2,026,986
Central services	2,164,894	713,671	13,220	790,098	3,681,883	1,657,287
Academy	24,679,654	4,359,635	550,120	5,954,965	35,544,374	27,117,828

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
Designated funds						
Teaching School	19,086	156,414	(151,357)	-	-	24,143
General funds						
General funds	1,594,215	295,710	(194,088)	-	-	1,695,837
Total Unrestricted funds	1,613,301	452,124	(345,445)	-	-	1,719,980
Restricted general funds						
General Annual Grant	1,357,911	21,858,829	(20,321,477)	(398,740)	-	2,496,523
Pupil Premium	-	1,628,749	(1,628,024)	-	-	725
Other DfE Group grants	3,268	1,384,081	(1,324,477)	-	-	62,872
Other government grants	1,200	750,244	(720,290)	-	-	31,154
Other funding	13,415	77,260	(67,129)	(5,000)	-	18,546
Teaching School	5,000	484,601	(474,230)	-	-	15,371
SCITT	100,675	617,464	(643,060)	-	-	75,079
Notional rent	-	432,696	(432,696)	-	-	-
Pension reserve	(6,683,000)	-	(1,161,000)	-	(3,182,000)	(11,026,000)
	(5,201,531)	27,233,924	(26,772,383)	(403,740)	(3,182,000)	(8,325,730)
Restricted fixed asset funds						
DfE Group capital grants	3,063,858	931,397	(206,210)	-	-	3,789,045

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Statement of funds (continued)

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Other government grants	179,099	10,000	(48,099)	29,529	-	170,529
Capital refresh	486,370	-	(61,949)	-	-	424,421
Other capital income	5,387	-	(1,905)	5,000	-	8,482
Transfer from Local Authority	49,490,935	-	(1,272,320)	(3,949)	-	48,214,666
Capital expenditure from GAG	428,285	-	(178,378)	373,160	-	623,067
	<u>53,653,934</u>	<u>941,397</u>	<u>(1,768,861)</u>	<u>403,740</u>	<u>-</u>	<u>53,230,210</u>
Total Restricted funds	<u>48,452,403</u>	<u>28,175,321</u>	<u>(28,541,244)</u>	<u>-</u>	<u>(3,182,000)</u>	<u>44,904,480</u>
Total funds	<u><u>50,065,704</u></u>	<u><u>28,627,445</u></u>	<u><u>(28,886,689)</u></u>	<u><u>-</u></u>	<u><u>(3,182,000)</u></u>	<u><u>46,624,460</u></u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020	Restricted funds 2020	Restricted fixed asset funds 2020	Total funds 2020
	£	£	£	£
Tangible fixed assets	-	-	52,370,051	52,370,051
Current assets	1,999,686	6,218,617	736,537	8,954,840
Creditors due within one year	-	(2,673,884)	-	(2,673,884)
Creditors due in more than one year	-	(122,446)	-	(122,446)
Pension scheme liability	-	(14,832,000)	-	(14,832,000)
Total	<u><u>1,999,686</u></u>	<u><u>(11,409,713)</u></u>	<u><u>53,106,588</u></u>	<u><u>43,696,561</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	52,344,998	52,344,998
Current assets	1,720,901	5,054,792	885,212	7,660,905
Creditors due within one year	(921)	(2,211,764)	-	(2,212,685)
Creditors due in more than one year	-	(142,758)	-	(142,758)
Pension scheme liability	-	(11,026,000)	-	(11,026,000)
Total	<u>1,719,980</u>	<u>(8,325,730)</u>	<u>53,230,210</u>	<u>46,624,460</u>

22. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	<u>(2,757,899)</u>	<u>(259,244)</u>
Adjustments for:		
Depreciation	2,262,433	1,768,861
Capital grants from DfE and other capital income	(979,103)	(941,397)
Interest receivable	(24,799)	(26,330)
Defined benefit pension scheme obligation inherited	1,851,000	-
Defined benefit pension scheme cost less contributions payable	1,526,000	965,000
Defined benefit pension scheme finance cost	259,000	196,000
Increase in stocks	(19,405)	(33,183)
Increase in debtors	(65,972)	(335,646)
Increase/(decrease) in creditors	457,908	(481,469)
Loss on fixed asset disposals	-	3,949
Net cash provided by operating activities	<u>2,509,163</u>	<u>856,541</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Cash flows from financing activities

	2020	2019
	£	£
Cash inflows from new borrowing	21,057	-
Repayments of borrowing	(37,157)	(27,457)
Net cash used in financing activities	(16,100)	(27,457)

24. Cash flows from investing activities

	2020	2019
	£	£
Interest receivable	24,799	26,330
Purchase of tangible fixed assets	(2,287,486)	(1,240,030)
Capital grants from DfE Group	883,387	941,397
Capital funding received from sponsors and others	95,716	-
Net cash used in investing activities	(1,283,584)	(272,303)

25. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash in hand	2,769,707	3,568,790
Cash investments	4,508,562	2,500,000
Total cash and cash equivalents	7,278,269	6,068,790

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26. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	New loans £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	3,568,790	(799,083)	-	-	2,769,707
Debt due within 1 year	(32,946)	37,157	(4,211)	(37,158)	(37,158)
Debt due after 1 year	(142,758)	-	(16,846)	37,158	(122,446)
Liquid investments	2,500,000	2,008,562	-	-	4,508,562
	<u>5,893,086</u>	<u>1,246,636</u>	<u>(21,057)</u>	<u>-</u>	<u>7,118,665</u>

27. Conversion to an academy trust

On 1 September 2019 Abbey Primary Community School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Mead Educational Trust from Leicester City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net loss in the Statement of Financial Activities as Expenditure on Charitable activities - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Other tangible fixed assets	-	72,690	72,690
Current liabilities			
Cash - representing budget deficit on LA funds	(20,507)	-	(20,507)
LGPS pension deficit	(1,088,000)	-	(1,088,000)
Net (liabilities)/assets	<u>(1,108,507)</u>	<u>72,690</u>	<u>(1,035,817)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Conversion to an academy trust (continued)

On 1 September 2019 Kestrels' Field Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Mead Educational Trust from Leicester City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net loss in the Statement of Financial Activities as Expenditure on Charitable activities - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Other tangible fixed assets	-	-	14,332	14,332
Current assets				
Cash - representing budget surplus on LA funds	249,428	-	-	249,428
Current liabilities				
Salix Loan	-	(21,057)	-	(21,057)
LGPS pension deficit	-	(763,000)	-	(763,000)
Net assets/(liabilities)	<u>249,428</u>	<u>(784,057)</u>	<u>14,332</u>	<u>(520,297)</u>

28. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	94,608

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NOTES TO THE FINANCIAL STATEMENTS
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29. Pension commitments

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

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

Contributions amounting to £516,724 were payable to the schemes at 31 August 2020 (2019 - £339,603) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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29. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £2,975,335 (2019 - £1,582,103).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,929,000 (2019 - £1,419,000), of which employer's contributions totalled £1,539,000 (2019 - £1,126,000) and employees' contributions totalled £ 390,000 (2019 - £293,000). The agreed contribution rates for future years are 25.4 - 26.4 per cent for employers and 6 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	2.7	3.3
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2.3
Commutation of pensions to lump sums	50	50

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.2	22.2
Females	25.2	24.7

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29. Pension commitments (continued)

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate -0.5%	3,940	3,094
Salary increase rate +0.5%	412	538
Pension increase rate +0.5%	3,457	2,484
	3,940	3,094

Share of scheme assets

The Academy's share of the assets in the scheme was:

	2020	2019
	£	£
Equities	8,748,000	6,775,000
Corporate bonds	4,300,000	3,621,000
Property	1,186,000	935,000
Cash and other liquid assets	593,000	350,000
Total market value of assets	14,827,000	11,681,000

The actual return on scheme assets was £(373,000) (2019 - £669,000).

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NOTES TO THE FINANCIAL STATEMENTS
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29. Pension commitments (continued)

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS 102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased).
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2019 for the year to 31 August 2020, or date of joining the fund if later).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	(3,059,000)	(1,761,000)
Past service cost	(6,000)	(330,000)
Interest income	273,000	289,000
Interest cost	(532,000)	(485,000)
Total amount recognised in the Statement of Financial Activities	(3,324,000)	(2,287,000)

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29. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	22,707,000	16,347,000
Conversion of academy trusts	3,649,000	-
Current service cost	3,059,000	1,761,000
Interest cost	532,000	485,000
Employee contributions	390,000	293,000
Actuarial (gains)/losses	(476,000)	3,562,000
Benefits paid	(208,000)	(71,000)
Past service costs	6,000	330,000
At 31 August	29,659,000	22,707,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	11,681,000	9,664,000
Conversion of academy trusts	1,798,000	-
Interest income	273,000	289,000
Actuarial (losses)/gains	(646,000)	380,000
Employer contributions	1,539,000	1,126,000
Employee contributions	390,000	293,000
Benefits paid	(208,000)	(71,000)
At 31 August	14,827,000	11,681,000

30. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	39,178	34,886
Later than 1 year and not later than 5 years	13,636	35,221
	52,814	70,107

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31. Members' liability

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

32. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure related party transactions

Adam Glover, son of Anthony Glover, Chair of Trustees of the Academy Trust, is employed by the Academy Trust as a Deputy Head. Adam Glover's appointment was made in open competition and Anthony Glover was not involved in the decision making process regarding appointment. Adam Glover is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a Trustee.

Claire Bishop, daughter of Victoria Bishop, a Trustee who resigned on 25 September 2019, is employed by the Academy Trust as a teacher. Claire Bishop's appointment was made in open competition and Victoria Bishop was not involved in the decision making process regarding appointment. Claire Bishop is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

No other related party transactions took place in either the current or prior year, other than certain Trustees' remuneration and expenses disclosed in note 12.

33. Post balance sheet events

At the balance sheet date the world was suffering a COVID-19 outbreak, and volatility in the economy as a result. The Trustees have considered the effect this may have on the Academy Trust post year end, and although unclear what impact this will have in the longer term they are informed by the Government's guidance that the issue will be time limited. This will continue to be a developing situation and as such a reasonable estimate of the financial effect of this outbreak on the Academy Trust cannot feasibly be made. The Trustees have assessed the situation and on the basis that core funding from both the Government and Local Authorities is expected to continue, they consider the Academy Trust to be a going concern.

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34. Comparatives

During the current year the financial statements include 10 schools, the Leicester teaching school and the Leicestershire Secondary School-Centred Initial Teacher Training (SCITT). The 10 schools include a full year of Castle Mead Academy which joined the Academy Trust in late August 2019, Abbey Mead Primary Academy and Kestrel Mead Primary Academy both of which joined the trust on 1 September 2019. The prior year figures included 8 schools, the Leicester teaching school and the SCITT. These 10 schools, together with central services are disclosed within the statement of funds note.

35. Teaching school & SCITT trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Government grants	1,800,975		1,280,100	
Other income				
Other incoming resources	687,927		792,862	
Total income		2,488,902		2,072,962
Expenditure				
Direct staff costs	275,396		393,895	
Bursaries	1,329,172		814,483	
Delivery costs	645,353		827,227	
Total direct expenditure	2,249,921		2,035,605	
Other staff costs	150,865		25,957	
Other support costs	29,706		21,568	
Total other expenditure	180,571		47,525	
Total expenditure		2,430,492		2,083,130
Transfers between funds excluding depreciation		(42,900)		-
Surplus/(deficit) from all sources		15,510		(10,168)
Teaching school & SCITT balances at 1 September 2019		114,593		124,761
Teaching school & SCITT balances at 31 August 2020		130,103		114,593