

The Elliot Foundation Academies Trust

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended

31st August 2019

Company registration No. 8116706

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Reference and administrative details

Members

Dr. Caroline Whalley CBE
Henry Bedford
The Elliot Foundation
Deryn Harvey

Trustees

Dr. Caroline Whalley CBE (Chair)
Hugh Greenway (CEO, Accounting Officer and Trustee ex officio)
Sue Nath
Damon Parker
David Gallie
Keith Wainwright (dismissed 29th March 2019)
Andrew Harper
Elaine Hedgecock (resigned 1st October 2018)
Jonathan Ford
Gillian Bengie
Natasha Ostaszewska-Thiebaut (resigned 24th May 2019)
Robert Anderson
Dr Tim Coulson (appointed 24th May 2019)

Finance committee

[The finance committee incorporates the remuneration committee]
David Gallie (Chair)
Hugh Greenway (ex officio)
Sue Nath
Andrew Harper

Audit committee

Jonathan Ford (Chair)
Damon Parker
Robert Anderson
Gillian Bengie (appointed 7th December 2018)

Academic Board

Elaine Hedgecock (Chair) (resigned 1st October 2018)
Jemma Shuttleworth NLG (Chair)
Dr. Tim Coulson (appointed 24th May 2019)
Hugh Greenway (ex officio)
Johanne Clifton NLE (Principal Billesley Primary School)
Ann Bowen Breslin NLE (Principal Hillingdon Primary School)
Brian Ball LLE (National College Teaching and Leadership Advisor)

Company secretary

Browne Jacobson LLP

Officers

CEO and Accounting Officer – Hugh Greenway
Finance Director – Simon Pink (appointed 3rd September 2018)
HR Director – Ruth Dickens
Governance and Policy Director - Jemma Shuttleworth
Senior Regional Director West Midlands – Travis Latham
Regional Director London – Simon Adams
Regional Director East Anglia – Caroline Oliver
Estates Director – Patricia Martin

Principal and registered office

Pyramid House, 252b Gray's Inn Road, London, WC1X 8JT (until 28/11/19)
144 York Way, London, N1 0AX (from 28/11/19)

Company registration number

8116706 (England and Wales)

Independent auditor

RSM UK Audit LLP, 25 Farringdon Street, London, EC4A 4AB

Bankers

Lloyds Bank, 25 Gresham Street, London EC2V 7HN

Solicitors

Browne Jacobson LLP, Castle Meadow Road, Nottingham, NG2 1BJ

Glossary of terms

ARE – Age Related Expectations - a measure introduced by the government to identify the attainment expected in core subjects at different ages

Converter academy – a school which chooses to become an academy without any external coercion (cf. sponsored academy)

KS2 – Key stage 2 – the period at the end of primary education which is assessed by tests in year six

KS1 – Key stage 1 – the period at the beginning of primary education which is assessed by tests in year three

Federation – Two or more schools run by a single local governing body often with an Executive Principal over all schools

MAT – Multi Academy Trust a term used to describe the type of company that sponsors academies

Officers – Senior employees of TEFAT

RWM – Reading, Writing and Mathematics

Sponsored academy – a school deemed to be struggling either in terms of results of its children or OFSTED judgements (cf. converter academy)

TEF – The Elliot Foundation

TEFAT – The Elliot Foundation Academies Trust

The Trust – TEFAT

Trustees' report

The Trustees present their annual report, including the strategic report, together with the financial statements and auditor's report of the Charitable Company for the year ended 31st August 2019. This serves the purpose of both the Trustees' Report and the Directors' Report under company law.

The Elliot Foundation Academies Trust (TEFAT) is a charitable multi-academy trust improving outcomes for primary children across the country. TEFAT has academy clusters in the West Midlands, East Anglia and London. The head office is in Camden, London.

Structure, governance and management

Constitution

TEFAT is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association, dated 22nd June 2012, are the primary governing documents of TEFAT. The Trustees are also the Directors of the Charitable Company for the purposes of company law.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 3.

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 Trustee, or within one year after they cease to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Trustees benefit from indemnity insurance provided through the Risk Protection Arrangement (RPA) provided through the Department for Education.

Method of recruitment and appointment or election of Trustees

The Trustees of the Charitable Company shall comprise:

- the Sponsor who is a Member of the board of The Elliot Foundation (The Elliot Foundation is a registered charity and approved academy sponsor);
- up to five persons who may be appointed by the Sponsor;
- one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose
- the Chair of the Directors; and
- any person appointed under the provisions of the paragraphs below.

Each of the persons entitled to appoint Trustees, set out above, shall have the right from time to time by written notice delivered to the Office to remove any Trustees appointed by them and to appoint a replacement Trustee to fill a vacancy whether resulting from such removal or otherwise.

Trusteeship will terminate automatically if a:

- Trustee (which is a corporate entity) ceases to exist and is not replaced by a successor institution;

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-
- Trustee (which is an individual) dies or becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her own affairs;
 - Trustee becomes insolvent or makes any arrangement or composition with that trustee's creditors generally; or
 - Trustee, who is also a Director, ceases to be a Director.
-

The Trustees may agree unanimously in writing to appoint such additional Trustees as they think fit and may unanimously (save that the agreement of the Trustees(s) to be removed shall not be required) in writing agree to remove any such additional Trustees.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided to new Trustees depends upon their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to perform their role as Trustees. On joining the board, the CEO performs one-to-one induction sessions with each new Trustee to acquaint them with the governing documents of the Trust and to familiarise them with its structure and processes. This process also includes acquainting each new Trustee with the latest version of the Academies Finance Handbook, Charity Commission Guidance for Trustees and the Trust's governing documents. As there are at most two or three new Trustees per year, induction is informal and tailored specifically to the individual. Updates are provided by the Executive to Trustees on charity developments and academy sector matters as and when required.

The Trust conducts an annual audit of skills and experience for the board and executive team and targets the provision of CPD to areas of need.

With the delegation of responsibility from the Trust Board to Local Governing Bodies (LGBs) the priority for much of the training and development of Governors has been for those in academies. The Director of Governance and Policy is responsible for the training for LGB members which currently includes:

- managing data
- the role of Governors
- safeguarding
- financial management

The Trust also conducts annual and termly staffing conferences and CPD sessions. Trustees are invited to these where relevant.

Organisational structure

The Trustees establish the overall framework for the governance of the Trust and academies included within the Trust. The Board of TEFAT determines membership, terms of reference and procedures of Committees and other groups and approves all TEFAT policies. The delegation of responsibility and authority is set out within the Trust's Scheme of Delegation. This includes delegation to the CEO, who is also the TEFAT Accounting Officer, and to Officers and other employees of TEFAT. The Board of Trustees has delegated authority to the CEO and the Officers to make executive decisions over the day to day running of the organisation. The Board of Trustees is responsible for ensuring that TEFAT conforms to company and charity

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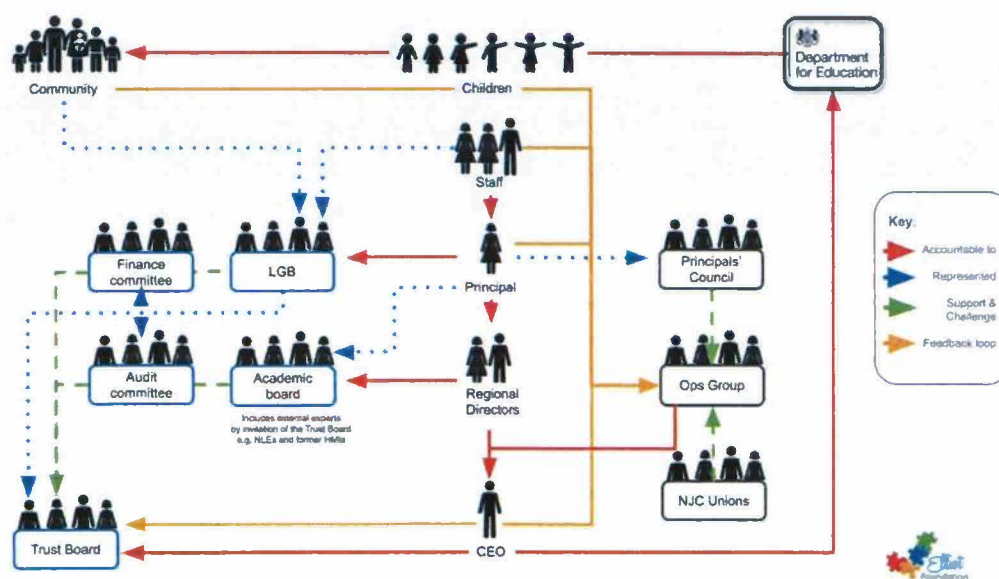
law, follows its memorandum and articles of association and adheres to any other pertinent legislation or regulation.

Each academy or federation is required to establish a Local Governing Body. The Local Governing Body holds the Principal to account on behalf of the local community, and provides advice to the Trust on local matters. TEFAT Local Governing Bodies are generally smaller than those of maintained schools and at the outset we aim to ensure that, where appropriate, previous Governors have a place on the TEFAT Local Governing Body.

The Board of TEFAT receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board of TEFAT may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are two TEFAT Committees: the Finance Committee and the Audit Committee plus one working group: the Academic Board.

- The Finance Committee meets at least once a term and follows a programme of work in line with the cycle of the financial year. The remit of this committee will cover all Academies within TEFAT as well as the Head Office.
- The purpose of the Audit Committee is to assist the decision making of the Board including proper planning, monitoring and probity. It is also responsible for liaising with both the external auditor and internal audit function as well as receiving reports from both. The Audit Committee meets at least once a term so that the Trustees fulfil the objectives set out in the Trust's Master Funding Agreements and the Academies Financial Handbook (the AFH) of achieving internal scrutiny which delivers objective and independent assurance for the Trust.
- The Academic Board is a body of education professionals from both inside and outside the Trust who assist the Trust Board in holding the Executive to account for the performance of all the schools in the Trust. The Academic Board meets at least once each term.



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Key management personnel remuneration

The key management personnel for The Elliot Foundation Academies Trust consist of all the Trustees and Officers who form the management team as disclosed on pages 3 and 4, which was recommended by the Audit Committee held 15th June 2016 and approved by the TEFAT Board 22nd July 2016. Although the Trustees control and manage the administration of TEFAT, the day to day management of its activities is delegated to the Officers who report to the Trustees.

TEFAT had thirteen Trustees in year (please refer to page 3). Trustees are unremunerated apart from Hugh Greenway who is remunerated only as CEO.

Arrangements for setting pay and remuneration of key management personnel

Trustees receive no payment for their work with TEFAT, other than the CEO who is paid only for his work as CEO. The CEO and officers' pay is set and reviewed by the Finance Committee of the TEFAT Board, who act as the remuneration committee, once a year and is based on a benchmark against posts or work of a similar nature and scale within local authorities and other multi-academy trusts. The CEO is not involved as a member of the Committee when his remuneration is discussed. Any increases that have been approved by the TEFAT Board have been in line with the national pay awards.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require The Elliot Foundation Academies Trust to publish specific details of facility time taken by trade union officials employed by the Trust as follows:

Table 1: Relevant union officials

Number of employees who were relevant union officials during the relevant period	
Headcount	Full Time Equivalent (FTE)
4	4

Table 2: Percentage of time spent on facility time

How many employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time	
Percentage of working time (%)	Headcount number of employees
0	3
1-50	1
51-99	0
100	0

Table 3: Percentage of pay bill spent on facility time

Percentage of the Trust's total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period	
Total cost of facility time (£)	16,781.53
Total pay bill (£)	45,874,999.56
Percentage of the total pay bill spent on facility time*	0.04%

* calculated as: (total cost of facility time ÷ total pay bill) x 100 (to 2dp)

Table 4: Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours (%)**
25

** calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100 (to 2dp)

These disclosures cover the year from April 2018 to March 2019.

Connected organisations including related third parties

TEFAT is founded upon a partnership ethos and has partnerships with:

- Local Authorities (LAs) in the West Midlands, East Anglia and London.
Partnership work includes:
 - Signing of concordats and collaborative agreements
 - Developing integrated school-to-school support and building cross-LA networks
 - Working together to improve schools that are not part of TEFAT
 - Collaborating on targeted provision to support community cohesion
- Universities including the Institute of Education, University of Birmingham and University of Bangor for the provision of post-graduate education and research
- Teaching and non-teaching unions – we are the only sponsor to be endorsed by the National Association of Head Teachers (NAHT) and work through a National Joint Committee with all teaching and other relevant unions
- The Elliot Foundation which is a registered charity and approved sponsor whose relationship with TEFAT is governed by a members' agreement that was developed with the assistance of the ESFA
- TEFLA Ltd (The Elliot Foundation Learning Alliance) which is an education training and CPD provider and wholly owned subsidiary of The Elliot Foundation (TEFLA Ltd was incorporated in May 2018 but remained dormant during this year).

Objectives, activities and outcomes

The Charitable Company's objectives are, "advancing for the public benefit education by:

- I. establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and

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- II. providing childcare facilities and adult training to develop the capacity and skills of parents-to-be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of children."

TEFAT remains comparatively rare among charitable multi-academy trusts in being a primary-only specialist. We continue to build a thriving alliance of both converter and sponsored primary academies which is recognised by the DfE as one of the strongest in the country.

Support by donations and grant contributions have continued into our seventh accounting period.

The Trustees have revised their medium-term strategy for the Trust under four headings:

1. **Safe, secure and sustainable:** Balanced, controlled growth towards 12.5k-14k pupils by 2020 by taking on appropriate new schools in our three current areas or by adding a fourth region.
2. **Building motivation and self-belief:** Children and schools can succeed anywhere; >80% of children positive about themselves as learners, developing regional solutions close to children.
3. **Extending skills:** All academies to be above DfE floor standards and improving academically whilst the Trust as a whole exceeds national averages regardless of context.
4. **Success for all:** Good is a given and >80% of all stakeholders (children, parents, staff, principals and governors) are positively engaged with a sense of agency.

Balanced growth

In the year the Trust had 28 open academies serving almost 11,000 pupils, with one further academy (Childs Hill Primary school) joining on 1st January 2020. There has also been a closure of one of our academies (Lena Gardens Primary school) as of 31st of August 2019. It is safe to say that the medium-term growth targets will be met. In light of continued fiscal constraints, Trustees and officers have taken a considered approach when evaluating new schools potentially joining the Trust.

As mentioned in previous year's reports, the absence of any 'system funding' following the removal by the government of the Education Services Grant in 2017 continues to add risk to the academy project as a whole. Indeed, without a significant government funding review, at current rates of spending the education sector will run out of money in 2021-22. TEFAT is not immune from this issue but has managed to maintain reserves above a level achieved by many Trusts.

Reputation

The Trust's reputation for transformational change in primary schools remains supported in the main by the achievements of its schools outlined below. It was also further enhanced by the publication in September 2019 of a Summary MAT Evaluation by Ofsted¹ which highlighted the, "open, responsive and sometimes inspirational" culture of the organisation.

¹ <https://files.api.ofsted.gov.uk/v1/file/50106125>

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Trustees were disappointed that Ramnoth Junior School in Wisbech became the first school in the Trust's history to be placed in "Special measures" but are confident that this position will be rectified in the near future. They have conducted a thorough lessons learned exercise to ensure that the mistakes made are not repeated.

Achievement

KS2 outcomes in 2018-19 present a mixed picture with many schools continuing strong upward trends. But for the first time in the Trust's history results have not improved on the prior year. Indeed the final validated result is likely to be a 1-2 percentage point drop at 60-61%

More work needs to be done to ensure that the Trust catches up and eventually surpasses the national average which currently stands at 65%, irrespective of the challenges faced by the communities that TEFAT schools serve.

- Through the lens of Ofsted, the Trust remains exemplary. In its seven years of existence and after 35 inspections the Trust's average impact on schools remains an uplift of one whole grade.
- 67% of TEFAT's sponsored academies are currently good or better which is behind the national average of 75%
- As of 31st March 2019, there were only 72 outstanding sponsor led primary schools in the country, 7 of these are in TEFAT

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School name	Latest Roll	Roll Trend 4 years	Date Joined	Spons. or Conv.	EAL Latest	PP Latest	IMD 2019 (0-least 9-most)	Ofsted on join	Ofsted as academy	Current Ofsted	KS2 2018	KS2 2019	KS2 trend 4 years	KS2 Forecast 2020
Billesley Primary School	646		Nov-2012	Spons.	44%	49%	9	3	Y	1	68%	67%		72%
Cavalry Primary School	467		Mar-2017	Conv.	13%	22%	6	2	Y	2	64%	51%		50%
Chandos Primary School	454		Feb-2017	Spons.	71%	48%	8	2	Y	2	48%	40%		50%
Claremont Primary School	328		Apr-2016	Conv.	79%	46%	8	3	Y	2	67%	59%		50%
Croft Academy	216		Sep-2012	Spons.	68%	49%	9	3	Y	3	70%	63%		60%
Elm Road Primary School	208		Nov-2015	Conv.	40%	21%	7	3	Y	2	60%	59%		63%
Eyrescroft Primary School	347		Dec-2015	Spons.	41%	38%	8	4	Y	3	42%	32%		52%
George Betts Primary Academy	430		Jul-2013	Spons.	59%	28%	9	3	Y	2	57%	74%		68%
Greenside Primary School	228		Apr-2015	Conv.	24%	34%	7	2	Y	2	90%	78%		75%
Griffin Primary School	260		Apr-2017	Novat.	59%	48%	7	3	N		67%	65%		69%
Highleas Primary School	393		Sep-2013	Spons.	51%	38%	9	4	Y	2	39%	33%		55%
Hillingdon Primary School	706		Jul-2014	Conv.	64%	13%	6	1	N		80%	76%		73%
John Locke Academy	530		Sep-2014	New	19%	6%	5	-	Y	1				
Kings Rise Academy	442		Nov-2012	Spons.	23%	60%	9	4	Y	1	64%	78%		60%
Lena Gardens Primary School	45		Mar-2013	Conv.	49%	42%		2	Y	2	82%	na		
Millfield Primary School	344		Dec-2015	Conv.	7%	25%	6	3	Y	2	65%	57%		50%
Nene	236		Nov-2013	Spons.			8	3	Y	3				
Parkfield Primary School	466		Aug-2013	Spons.	81%	21%	6	4	Y	2	51%	42%		53%
Pinkwell Primary School	676		Apr-2013	Spons.	79%	27%	5	3	Y	2	44%	47%		50%
Ramoth Junior School	262		Nov-2013	Spons.	44%	35%	8	4	Y	4	38%	44%		47%
Ramsay Junior School	229		Apr-2017	Conv.	11%	39%	6	2	N		80%	73%		48%
Ramsay Spinning	196		Apr-2017	Spons.			6	2	N					
Shireland Hall Primary Academy	667		Jul-2013	Conv.	59%	28%	7	2	Y	1	49%	55%		60%
The Hyde School	409		Sep-2013	Spons.	82%	22%	6	4	Y	1	81%	87%		63%
The Shirestone Academy	243		Nov-2012	Spons.	10%	51%	9	2	Y	1	90%	73%		70%
Tiverton Academy	210		May-2013	Spons.	42%	46%	6	2	Y	1	78%	65%		70%
Westwood Primary School	773		Oct-2018	Conv.	8%	32%	6	3	N		59%	60%		70%
Woods Bank Academy	394		Feb-2013	Conv.	13%	57%	8	3	Y	2	53%	60%		60%
In Conversion														
Childs Hill	397		Jan-2020	Conv.	77%	41%	7	2		2	74%			60%
Total	385.8				44%	35%	7	3		2	63%	60%		60%

The above table is coloured using a 'traffic light' system, whereby the green areas reflect the highest Ofsted rating, lowest levels of deprivation, or surpassing national averages in outcomes.

Quality

The Trustees will never be 'satisfied' as the performance of the Trust can always be improved but Trustees are pleased to note the Ofsted judgements this year.

However, the Trust is also committed to measuring the quality of its work with its stakeholders and Trustees are proud that 95% of Principals 'would recommend' joining the Trust, which is an increase from the 88% in last year's survey and in line with expectations following significant service improvements. The Trust piloted a broader stakeholder consultation in the year with parents and children across three

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schools but the response rates were too low to draw any significant conclusions. The Trust will be expanding this programme to all schools in 2019-20.

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commissioners' general guidance on Public Benefit in exercising their powers and duties. They have referred to this guidance when reviewing the Trust's aims and objectives in planning its future activities. These are set out explicitly in the TEFAT constitution and are described above.

Strategic report

Achievements and performance

The education performance of the Trust is set out in the above sections "Achievement" and "Quality".

Key financial performance indicators

Many of the Trust's KPIs reflect commercial risk, staffing ratios, academic performance, risk ratios and gearing:

Key Performance Indicator	Target	Actual
Number of Elliot Academies open or soon to open as at 31st August 2019	30	28
Net Reserves (excluding Inherited Assets/Liabilities and Capital Commitments) % of GAG income	Greater than or equal to 5%	13.5%
Total Pay as % of Total Revenue Income (excl: capital funding)	Between 70-80%	84.9%

The number of academies target was missed due to a number that did not complete due to external factors. The Trust is also now more cautious in deciding on which projects to progress, in order to minimise risk to the Trust as a whole. The Total Pay target is becoming increasingly hard to hit due to increasing costs of employing staff, due to government decisions, not all of which is fully funded. This area is kept under review to ensure ongoing affordability whilst continuing to protect teaching and learning.

The key education performance indicators are described above in the section on achievement which begins on page 11.

Macro-economic factors such as Brexit and key changes in the government have impacted on growth. Nevertheless, the revenue reserves for open academies were higher than anticipated. Tighter budgetary control by the TEFAT finance team coupled with a drive to create more efficient purchasing throughout the Trust will help create a higher level of reserves over future periods.

Going concern

TEFAT has a well-established business model and the Trustees have carefully considered TEFAT's current financial position and future financial prospects.

In excess of 95% of TEFAT funding for delivering education is provided by the Department for Education (DfE) and Local Authorities combined. Funding for 2019/20 remains flat and unadjusted for inflation. Announcements on the new National Funding Formula indicate that per pupil funding will at minimum be maintained for all schools and will grow over the transition years. However, recent increases in staff pay are not fully funded. To mitigate the effects of this all academies are now producing 3-year plans to ensure that early action is taken to ensure each academy can operate within its available funding. Recent announcements on improved funding for schools are welcome, but do not currently fully take into account the additional funding required to meet the needs of those schools serving areas of high deprivation.

While uncertainties clearly exist, the Trustees have a reasonable expectation that TEFAT has adequate resources to continue operational existence for the foreseeable future. They therefore adopt a going concern basis of accounting in preparing the annual financial statements. Further details can be found in the Accounting Policies included in note 1 of the financial statements.

Financial review

The principal source of funding received by TEFAT is from the ESFA in the form of General Annual Grants (GAG). Excluding income derived from donated assets and amounts transferred on conversion, income for the year rose by £4.1m to £63.7m (2018 - £59.6m). This comprised of £61.8m revenue funding and £1.9m capital funding. TEFAT receives a central allocation of capital funding for maintenance and development of all the estates which amounted to £1.1m in 2018-19 (£1.2m in 2017-18).

All the academy buildings are leased from Local Authorities on 125-year leases for a peppercorn rent. The buildings are recognised as tangible fixed assets in the financial statements and the value of the buildings is treated as voluntary income in the year of transfer. This income is held within the fixed asset fund and depreciation is subsequently charged against this fund over the life of the asset.

When new schools join TEFAT their reserves balance at point of transfer is recognised as donation income.

Total expenditure in the year was £65.7m, funded from income (including donated assets from local authorities) of £73.7m. The balance of income over expenditure was £8.0m, including donated buildings from local authorities.

TEFAT continues to operate a lean model of central services. The management services charge to schools was £2.7m in 2018-19 (£2.2m in 2017-18). The Board agreed to raise this from 5% to 6% of GAG income in 2018-19, including a 0.5% dedicated to school development. TEFAT Central Services had a cumulative surplus of £268k at the end of 2018-19. However, this includes amounts to be spent on academy development in the coming period plus the currently unspent balance on start up grants.

The financial climate for all schools and academies is challenging as costs continue to rise through inflationary pressures on staffing (including pension costs) without being matched by similar levels of funding increases. We are therefore having to

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focus on sustainability through financial forecasting, rigorous future planning and addressing our cost base as early as possible to avoid redundancies.

Cash balances at the year-end stood at £9.4m (2018: £9.5m), whilst net current assets increased from £6.9m to £7.8m.

Net pension liabilities increased by £12.5m to £40.5m. At present, this does not impact day to day operations, but reflects a challenging future climate for pension costs since cash contributions are likely to rise.

Reserves policy

In the Trustees' view, the reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. The TEFAT Board propose to maintain the charity's reserves at a level which is at least 5% of annual recurrent income. The Trustees review the amount of reserves that are required to ensure that they are adequate to fulfil the charity's continuing obligations on a quarterly basis at their finance meeting.

TEFAT is mainly funded by grants from the Department for Education, the use of which is regulated by its Funding Agreement. TEFAT academies are expected to use funding received from the DfE in the accounting year for which it is given. However, we also set aside funds for future use in both revenue and capital. Our policy on reserves recognises the difficult financial climate we are in and the fact that there is much less capacity to build up capital funds for longer term needs. Total reserves at the Balance Sheet date were £43.9m. Of this, £76.6m was in respect of the Fixed Assets Reserve (reserve set aside for future depreciation of the company's assets), a deficit of £40.5m in respect of future potential pension liabilities and restricted capital funds of £759k in respect of capital grants received and not yet spent (although largely committed).

Revenue reserves are maintained in separate restricted and unrestricted balances. However, in day to day terms, both are considered in aggregate in managing the overall financial position of the trust. At the end of the year, revenue reserves stood at £7.0m of which £2.8m was unrestricted and £4.2m restricted. Current reserves are at 13.5% of GAG income (2017/18 – 12.8%) which is above our target. It is anticipated that funding pressures in coming years will see this figure decrease.

A rigorous financial planning process is in place to ensure that all our academies are able to operate within their agreed funding allocation. Deficits on individual academies are covered by reserves in total and a process of licensed cumulative deficits operates for those academies. The licensed deficit is approved on the basis of a clear plan for financial recovery over the following 3 years. At the end of the financial year only two of our academies had deficits on their overall revenue reserves, up from one the year before:

Parkfield Primary School – This academy has a cumulative deficit of £102k. This is underwritten by the Trust and a plan is being put in place which should see the deficit reduce over an acceptable time frame.

Ramnoth Junior School - This school is in a federation with Nene Infant and Nursery School. The combined position is a surplus, so the Ramnoth position is not considered a concern.

Investment policy

The Trust operates interest bearing current accounts with Lloyds bank. Sufficient balances are maintained to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments. Monies surplus to the working requirements are invested in order to generate the best possible low risk returns. The Trust will not take out any long-term investments until a reliable cash flow pattern is established, monies will only be paid into term deposits not exceeding six months.

Approval is required from the TEFAT Board & Finance Committee before any investment engagements are made and investments will be in line with the guidelines in the Academies Handbook. All investment decisions will be made on a risk averse basis.

Financial risk management and objectives

Risk management

The Board of TEFAT has established comprehensive risk assessment and management arrangements. These are summarised in the TEFAT Risk Management Statement 2019. All known risks associated with the operations of TEFAT are included in the TEFAT risk register along with an assessment of likelihood, impact and details of any mitigating action. Ownership of risks is delegated to a specific Trust Officer. Each Officer's risks are reviewed monthly in rotation by the Programme Director and the risk summary is a standing item on the weekly operations meeting.

Risk assessment and management is an essential part of the process of engaging with schools as prospective academies. A conversion risk profile is established for all potential TEFAT Academies prior to commencement of any conversion project. This profile is used to inform decisions on prospective TEFAT academies.

Each conversion of a school into an academy is managed as a project with its own dedicated risk register, reviewed at project meetings, which are held at least every two weeks. Upon opening, the academy's relevant risks are then transferred to the central risk register.

The TEFAT Risk Register includes over 70 risks and issues. Currently around 20% score high in both impact and likelihood These include:

- **Finance:** Changes in funding have an impact on Trust viability, funding constraints jeopardise educational performance of academies
- **Human resources and governance:** Insufficient capacity in leadership team across federation, ongoing employment tribunal claim
- **Education:** Significant decline in LA SEND capability, standards not improving quickly enough. These have been mitigated by the continual monitoring of educational performance by the Regional Directors and the establishment and embedding of the Academic Board. We have also established the Team Around the Academy process to support relevant academies.
- **Premises and facilities management:** unaffordable building maintenance programmes, failure of academy building fabric and variable premises management expertise within academies. All projects are managed by the Trust Estates Director, all project risks are evaluated and scored on the risk register

and we have undertaken a programme of work to improve the building fabric of the academies.

- **Overall risk for all Officers:** failure to deliver undermines confidence of Academy Governors and staff in TEFAT and changes in central government policy undermines TEFAT business model. Each fortnight at the Operational meetings, the Officers update their individual risk registers and evaluate all the risks. Any risks which are deemed significant are discussed and recommendations are made for improvements.

Principal risks and uncertainty

TEFAT has a risk management strategy and risk registers covering its major areas of activity and the TEFAT risk statement is available on the Trust's website. The key current risks are described above in the section on risk management.

The squeeze on public expenditure continues to bite for schools meaning that academy funding continues to a fall in funding in real terms. As well as maintaining robust levels of reserves (see previous section), more robust school level financial planning and budgeting arrangements have been implemented to ensure local and TEFAT wide financial challenges are identified and addressed early.

The Trust examines the financial health of each academy at each Board meeting, once a term reviewing financial forecasts and reports by exception on academy financial performance. More detailed scrutiny is undertaken by the Finance Committee, at least termly, where information from review of management accounts is considered with other information from internal audit reviews and monitoring of financial activity by central Trust finance staff.

At the period end the Trust had no significant liabilities arising from trade creditors or contingent liabilities where there could be a significant effect on liquidity. Future commitments in relation to operating leases are detailed in the notes to the accounts and are modest in comparison to total expenditure for each academy and for the Trust overall.

The Trust recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 24 to the financial statements, represents a significant potential liability. However, if TEFAT were to cease operating this deficit is underwritten by the Secretary of State.

Plans for future periods

The Trust will continue to strive to provide outstanding education and improve the levels of performance and progress at all levels. To achieve this, we will aim to continue to attract high quality teachers and support staff and develop our employees to achieve their potential.

TEFAT aims to grow beyond the 27 academies open with discussions ongoing regarding further additions and Childs Hill primary set to join the Trust in January 2020. On the reverse side though Lena Gardens Primary which joined the Trust in 2014 has closed this year due to a lack of pupil numbers caused by demographic changes in the area that it served. This closure has been coordinated with the Local Authority and the Department for Education to ensure the best possible provision for children in the locality.

The Elliot Foundation Academies Trust

TRUSTEES' REPORT

Improvement targets for each academy, at the outset, will be for each academy converting with a 'required to improve' or worse Ofsted judgement to be 'good' within 24 months. The quality of financial administration is expected to show similar improvement within 24 months of opening.

The Trust intends to spin out its conference and CPD activities into a sister company (The Elliot Foundation Learning Alliance - TEFLA). The aim will be to protect and continue the training provided to Trust staff by offering it for sale to schools and academies outside the Trust, thus distributing the costs over a wider membership base. TEFLA is limited by share capital and financed initially by loan capital from The Elliot Foundation. TEFLA was incorporated in May 2018, but has not traded in the year in question.

Following the successful designation of Hillingdon Primary as a 'Teaching school' last year the Trust is delighted that this year Billesley Primary has been designated as a 'Research school'. To meet these responsibilities, we have created The Elliot Foundation Teaching Schools (TEFTS). This will be a trading name and separate division within the Trust itself.

During 2018-19, the TEFAT strategic maintenance plan was continued which forms the basis of the TEFAT capital programme to maintain the fabric of buildings.

Funds held as custodian Trustee on behalf of others

The Trust and its Trustees do not act as Custodian Trustees of any other Charity.

Fundraising

The Trust has not undertaken any direct fundraising from individuals in the year.

Employee engagement and employment of disabled persons

The Trust encourages the involvement of its employees, receiving their views on important matters of policy. This is achieved through a combination of staff meetings, access to the online TEFAT Google community and the collection of views through online forms.

The trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the Trust.

Auditors

RSM UK Audit LLP has indicated its willingness to continue in office.

Disclosure of information to the auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the Directors at a meeting on 13th December 2019 and signed on its behalf by:

Dr. Caroline Whalley CBE
Chair

A handwritten signature in black ink, appearing to be 'C. Whalley', written over the printed name.

Governance statement

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO as Accounting Officer, for ensuring that 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 TEFAT and the Secretary of State for Education. He is 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. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

TEFAT board

	Attendance
Dr.Caroline Whalley CBE, (Chair) Education Systems Leadership	6/6
David Gallie, Finance expert	2/6
Sue Nath, Education Child Psychologist	2/6
Hugh Greenway, CEO TEFAT, ex officio	6/6
Damon Parker, Legal Expert	0/6
Keith Wainwright, (dismissed 29th March 2019) Policing & community engagement	1/3
Andrew Harper, Education and LA engagement	5/6
Elaine Hedgecock, (resigned 1st October 2018) HR expert	0/0
Jonathan Ford, Finance expert	2/6
Gillian Benge, Operations expert	3/6
Natasha Ostaszewska-Thiebaut (resigned 24th May 2019) Marketing expert	0/4
Robert Anderson, HR expert	5/6
Dr Tim Coulson (appointed 24th May 2019) Education expert	0/1

TEFAT Finance committee

The main purpose of the TEFAT Finance Committee is to review or investigate any other matters referred to the Committee by the Trust Board and draw any significant matters of concern to the attention of the Trust Board. During the year the TEFAT Finance Committee reviewed the budgets for all the academies and recommended them to the TEFAT Board. At each meeting the Finance Committee also reviews the latest set of management accounts for the Trust and challenge the Finance Director on any areas of concern. The TEFAT Finance Committee met 4 times during the year. Attendance during the year at TEFAT finance committee meetings was as follows:

The Elliot Foundation Academies Trust

GOVERNANCE STATEMENT

	Attendance
David Gallie (Chair)	4/4
Susan Nath	1/4
Hugh Greenway	4/4
Andrew Harper	3/4

TEFAT Audit committee

The main purpose of the TEFAT Audit Committee is to review, appraise and recommend the audited statutory accounts to the TEFAT Board; to review, plan and appraise the work of the internal audit function and receive the external audit reports and findings. The TEFAT Audit Committee will also review or investigate any other matters referred to the Committee by the Trust Board and draw any significant recommendations and matters of concern to the attention of the Trust Board. The TEFAT Audit committee has met 3 times during the year. Attendance during the year at TEFAT Audit Committee meetings was as follows:

	Attendance
Jonathan Ford (Chair)	3/3
Damon Parker	3/3
Robert Anderson	3/3
Gillian Benge (appointed 7 th December 2018)	1/3

TEFAT Academic Board

The TEFAT Academic Board holds the CEO and Regional Directors to account for the performance of all the TEFAT academies. Its purpose is to assist the TEFAT board in understanding the performance and progress of all children in detail and in context and to make recommendations on the allocation of scarce resources to arrest decline or accelerate improvement.

The TEFAT Academic Board met 4 times during the year. Attendance during the year at the meetings was as follows:

	Attendance
Jem Shuttleworth NLG (Chair)	4/4
Hugh Greenway	4/4
Ann Bowen-Breslin NLE	4/4
Karl Rogerson	4/4
Allan Shephard	4/4
Brian Ball LLE	2/4
Dr Tim Coulson (appointed 24 th May 2019)	1/1

Value for money

As Accounting Officer, the CEO has responsibility for ensuring that TEFAT delivers good value in the use of public resources. The Accounting Officer understands that

The Elliot Foundation Academies Trust

GOVERNANCE STATEMENT

value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer (signed below) is personally responsible for ensuring that the funds are used for their intended purposes and that Value for Money has been achieved. The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Trust has delivered value for money during the year by:

- I. Improving educational outcomes for all children. Although slightly down on last year, KS2 attainment for schools in the Trust have increased by an average of 9% each year that the Trust has been in existence². That the trust has maintained the transformational change in its schools despite real terms cuts in its funding is by and of itself 'value for money'.
- II. Improving qualitative judgments. As explained above, TEFAT schools are almost twice as likely to be judged outstanding by OFSTED than the national average³. Reducing the cost of an outstanding judgement is also, by and of itself, 'value for money'.
- III. Better purchasing. This year the Trust has continued to focus on improving procurement with opportunities being taken for combining academies spending to secure improved pricing in areas such as utilities and ICT hardware.
- IV. Reviewing operation structures. Models of federations of schools will continue to be a focus for TEFAT with a view to implementing operational and leadership structures that facilitate more effective recruitment and deployment of staffing.
- V. Reviewing controls and managing risk. TEFAT understands that Value for Money should be balanced against risk. The Trust's Risk Management Statement is available on its website and its approach to risk is outlined below. However, in the context of Value for Money the methodology for ensuring that the quest for savings does not prejudice the quality of service is as follows:
 - a. Monthly review of trust wide risk by the operations group captured in the Trust Risk Register which is owned by the CEO.
 - b. Annual review of Academy Principals' opinion of the services provided by the Trust.
 - c. Consultation on all 'Trust wide' procurement exercises with all Academy Principals.
 - d. Comprehensive internal Audit Programme developed with our external partners Academy Advisory.

² Under levels Trust schools increased from 67% to 79% from 2013 to 2015. Under ARE Trust schools have increased from 45% to 59% from 2016 to 2019

³ National average for incidence of outstanding Ofsted judgements in primary schools = 18% of TEFAT = 33.3%

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 TEFAT for the period ended 31st August 2019 and up to the date of approval of the annual report and financial statements. There were however some deficiencies identified as set out further below.

Capacity to handle risk

The TEFAT Board 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 TEFAT's significant risks that has been in place for the period ending 31st August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the TEFAT Board.

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:

- 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 Committees and TEFAT Board 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 and procurement (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an Assurance Officer service to provide the TEFAT Board with independent oversight of the financial reporting and wider internal controls vested in the management and overseen by the Board, at both Head Office and individual Academies. The Assurance Officer programme was completed in the summer term 2018-19 and its report noted

- Significant improvements in all areas
- A reduction in average findings per academy from 9.8 in the prior year to 3.7 this year
- Only three high risk findings across the whole Trust, none deemed by the Trust executive as being a significant risk

The Assurance Officer arrangements provides reports to the local governing body concurrently with reporting to the TEFAT Audit Committee so that the local governing body receives independent assurance on the effectiveness or otherwise of financial administration within each TEFAT academy.

The Audit Committee has a systematic approach to assessing and reporting on the quality of financial administration of academies following conversion. Thereafter each academy would be the subject of a termly assessment using information from:

- Assurance Officer reports;
- a review of financial transactions and activity by central TEFAT finance staff;
- application of the school financial value standard; and
- other relevant information

Reports to TEFAT Board, TEFAT Finance and Audit Committees include an assessment using Red, Amber or Green indicators for each academy and TEFAT centrally covering Finance, Finance Administration and Finance Prospects.

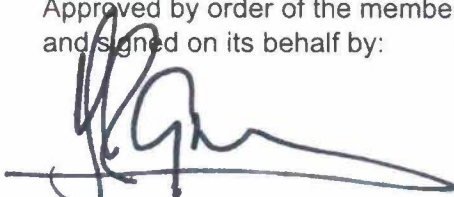
Review of effectiveness

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

- the annual Principals' Survey which invites Headteachers to assess the performance of the Trust as a whole and specifically
- the work of the senior managers within TEFAT who have responsibility for the development and maintenance of the internal control framework;
- Assurance Officer reviews completed within the year;
- the work of the external auditor;
- the financial management and governance self-assessment process and the processes described above; and
- the specific work of National Audit Office and ESFA officials relating to TEFAT.

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

Approved by order of the members of the Board of Trustees on 13th December 2019 and signed on its behalf by:



Hugh Greenway
CEO & Accounting Officer



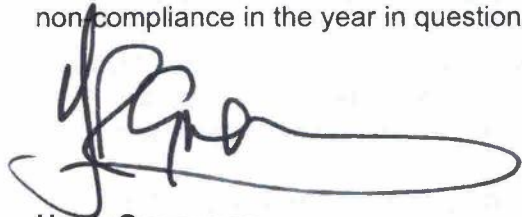
Dr. Caroline Whalley CBE
Chair

Statement on regularity, propriety and compliance

As Accounting Officer of TEFAT I have considered my responsibility to notify the Trust Board and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between TEFAT and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

I am satisfied that there were no material instances of irregularity, impropriety or non-compliance in the year in question.

A handwritten signature in black ink, appearing to read 'H Greenway', with a long horizontal flourish extending to the right.

Hugh Greenway
Accounting Officer
13th December 2019

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018-2019
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to 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 13th December 2019 and signed on its behalf by:

Dr Caroline Whalley CBE
Trustee



Independent auditor's report to the members of The Elliot Foundation Academies Trust

Opinion

We have audited the financial statements of The Elliot Foundation Academies Trust (the "charitable company") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2018 to 19 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies: Accounts Direction 2018 to 19 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Trustees are

The Elliot Foundation Academies Trust

INDEPENDENT AUDITOR'S REPORT

responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other requirement of the Companies Act 2006

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

- the information given in the Trustees' Report and the incorporated Strategic Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 26, Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company 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 charitable company's ability to continue as a going concern, disclosing, as applicable,

The Elliot Foundation Academies Trust
INDEPENDENT AUDITOR'S REPORT

matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

RSM UK Audit LLP

Hannah Catchpool (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

19 December 2019

The Elliot Foundation Academies Trust

Statement of Financial Activities (Including Income and Expenditure Account)

For the year ended 31 August 2019

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Year ended 31 August 2019 £'000	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Year ended 31 August 2018 £'000
Income From:									
Donations & Capital Grants	2	-	250	2,916	3,166	-	151	8,233	8,384
Transferred upon conversion		156	(843)	9,718	9,031	-	-	-	-
Charitable Activities									
Funding for the Academy Trust's educational operations	5	-	59,230	-	59,230	-	55,402	-	55,402
Teaching School		-	50	-	50	-	60	-	60
Other trading activities	3	2,186	-	-	2,186	1,953	-	-	1,953
Investments	4	6	-	-	6	4	-	-	4
Total Income		2,348	58,687	12,634	73,669	1,957	55,613	8,233	65,803
Expenditure on:									
Raising Funds		2,310	1,224	-	3,534	1,957	1,285	-	3,242
Charitable activities									
Academy trust's educational operations	7	-	60,224	1,894	62,118	-	55,556	1,665	57,221
Teaching School		-	50	-	50	-	60	-	60
Total Expenditure	6	2,310	61,498	1,894	65,702	1,957	56,901	1,665	60,523
Net (expenditure) / income		38	(2,811)	10,740	7,967	-	(1,288)	6,568	5,280
Gross transfers between funds	16	-	-	-	-	-	(266)	266	-
Other recognised gains and losses									
Remeasurement of defined benefit pension schemes	16,24	-	(8,756)	-	(8,756)	-	5,787	-	5,787
Net movement in funds		38	(11,567)	10,740	(789)	-	4,233	6,834	11,067
Reconciliation of funds									
Total funds brought forward	16	2,748	(24,729)	66,658	44,677	2,748	(28,962)	59,824	33,610
Total funds carried forward		2,786	(36,296)	77,398	43,888	2,748	(24,729)	66,658	44,677

Balance Sheet

As at 31 August 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Intangible Fixed Assets	12		-		2
Tangible Assets	13		76,642		65,759
Current assets					
Debtors	14	2,308		2,342	
Cash at bank and in hand		<u>9,449</u>		<u>9,500</u>	
		11,757		11,842	
Current Liabilities					
Creditors: Amounts falling due within one year	15	<u>(4,003)</u>		<u>(4,924)</u>	
Net current assets			<u>7,754</u>		<u>6,918</u>
Total assets less current liabilities			<u>84,396</u>		<u>72,679</u>
Defined Benefit Pension scheme liability	24		(40,508)		(28,002)
Total net assets			<u>43,888</u>		<u>44,677</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16		77,398		66,858
Restricted income fund	16		4,212		3,273
Pension reserve	16		<u>(40,508)</u>		<u>(28,002)</u>
Total restricted funds			<u>41,102</u>		<u>41,929</u>
Unrestricted income funds	16		2,786		2,748
Total funds			<u>43,888</u>		<u>44,677</u>

The financial statements on pages 33 to 60 were approved by the Trustees and authorised for issue on 13th December 2019 and signed on their behalf by:

Signature:

Dr. Caroline Whalley CBE
Chair



Statement of Cash Flows

For the year ended 31 August 2019

	Notes	Year ended 31 August 2019 £'000	Year ended 31 August 2018 £'000
Net cash flow provided by operating activities	20	92	3,739
Investing activities			
Interest received		6	-
Purchase of tangible fixed assets		(3,057)	(2,368)
Purchase of intangible assets		-	-
Capital grants from DfE/ESFA		1,856	1,431
Gifted assets (note 26)		896	-
Cash transferred in on conversion (note 26)		156	-
Cash flows from investing activities		<u>(143)</u>	<u>(937)</u>
		(51)	2,802
Change in cash and cash equivalents in the reporting period	23	<u>(51)</u>	<u>2,802</u>
Cash and cash equivalents at 1 September		9,500	6,698
Cash and cash equivalents at 31 August		<u>9,449</u>	<u>9,500</u>

Notes to the financial statements

1 Statement of accounting policies

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

Basis of Preparation

The financial statements of TEFAT have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

TEFAT meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

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

Grants

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

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

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

The Elliot Foundation Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

Donations

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

Other Income

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

Donated goods, facilities and services

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

Transfer on conversion

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

Transfer of existing academies into the trust

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the Transfer of an existing academy into the trust within Donations and capital grant income.

Donated fixed assets (excluding Transfers on conversion/into trust)

Where the donated good is a fixed asset it is measured at fair value. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with TEFAT's accounting policies.

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 TEFAT 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 TEFAT's educational operations, including support costs and costs relating to the governance of TEFAT apportioned to charitable activities. All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life of three years.

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund. Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a reducing balance basis over its expected useful life, as follows:

Leasehold buildings	1% - 12.5%
Leasehold land	over the useful economic life of the lease
Computer equipment	33%
Furniture and Equipment	25%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 Elliot Foundation Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

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 TEFAT anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the 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.

Leased Assets

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

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of TEFAT and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

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

Stock

Purchase of uniforms and catering stocks are expensed in the year of purchase.

Taxation

TEFAT 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, TEFAT is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the

The Elliot Foundation Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of TEFAT 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 TEFAT 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. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of TEFAT 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.

Head office employees have the option of joining a defined contribution scheme operated by Islington LGPS. The pension costs for the scheme represent the contributions payable by the TEFAT in the period.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the ESFA / DfE.

Critical accounting estimates and areas of judgement

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

The Elliot Foundation Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on several factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2019. 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.

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

2 Donations & Capital Grants

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2019 £'000	Total 2018 £'000
ESFA capital grants	-	-	1,856	1,856	1,431
Surplus transferred upon conversion	156	(843)	9,718	9,031	0
Donated fixed assets	-	-	896	896	6,160
Other donations	-	250	164	414	793
	156	(593)	12,634	12,197	8,384

Donated fixed assets reflect works carried out at Ramnoth Junior School which were paid for by the Local Authority.

3 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	230	-	230	210
Catering	586	-	586	457
Breakfast and after school club	330	-	330	316
Uniform	52	-	52	64
Sales of goods and services	8	-	8	20
Consultancy services	139	-	139	170
Other Income	841	-	841	716
	2,186	-	2,186	1,953

4 Investments

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposit interest	6	-	6	4
	6	-	6	4

5 Funding for the Academy Trust's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
DfE/EFSA revenue grant				
General Annual Grant (GAG)	-	51,683	51,683	48,965
Start Up Grants	-	50	50	50
Other DfE group grants	-	3,454	3,454	2,702
Teaching School Grants	-	50	50	60
	-	55,237	55,237	51,777
Other Government grants				
Local Authority / Other	-	4,043	4,043	3,685
Other Income	-	-	-	-
	-	4,043	4,043	3,685
	-	59,280	59,280	55,462

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

6 Expenditure

	Staff Costs	Non Pay Expenditure		Total 2019	Total 2018
		Premises	Other Costs		
	£'000	£'000	£'000	£'000	£'000
Expenditure on Raising Funds	726	-	2,808	3,534	3,242
Academy Trust's educational operations					
Direct costs (note 7)	43,903	-	2,941	46,844	43,332
Allocated support costs (note 7)	7,123	4,564	3,587	15,274	13,889
Teaching School	50	-	-	50	60
	<u>51,802</u>	<u>4,564</u>	<u>9,336</u>	<u>65,702</u>	<u>60,523</u>

Net income/(expenditure) for the period includes:

	Total 2019 £'000	Total 2018 £'000
Amortisation	2	4
Depreciation	1,892	1,661
Operating lease rentals	166	116
Fees payable to RSM UK Audit LLP and its associates for		
- current year audit	87	84
- other services	<u>18</u>	<u>-</u>

7 Charitable Activities

	Total 2019 £'000	Total 2018 £'000
Direct costs		
Teaching and educational support staff costs	43,903	40,342
Technology costs	590	672
Educational supplies	1,645	1,679
Staff development	475	378
Educational consultancy	<u>231</u>	<u>261</u>
	<u>46,844</u>	<u>43,332</u>
Allocated support costs		
Support staff costs	7,123	6,621
Depreciation	1,892	1,661
Amortisation	2	4
Technology costs	519	304
Recruitment and support	143	191
Maintenance of premises and equipment	838	801
Cleaning	692	562
Rent & Rates	301	272
Energy costs	841	717
Insurance	323	285
Security and transport	138	117
Catering	23	20
Legal and professional fees	1,021	1,023
Bank interest and charges	2	2
Other finance cost - pension finance cost	788	790
Other support costs	500	403
Governance costs	<u>128</u>	<u>116</u>
	<u>15,274</u>	<u>13,889</u>

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

8 Staff

a. Staff costs

	Total 2019 £'000	Total 2018 £'000
Staff costs during the year were:		
Wages and salaries	37,016	33,967
Social security costs	3,427	3,111
Pension costs	8,644	8,109
	49,087	45,187
Supply Staff costs	2,427	2,372
Staff restructuring costs	288	220
	51,802	47,779

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £24,225 (2018: £57,486). Two non-statutory/non-contractual payments exceeded £5,000 individually, and were for £12,925 and £5,700.

c. Staff numbers

The average number of persons (including senior management team) employed by the Trust during the year expressed as full time equivalents was as follows:

	Total 2019 No.	Total 2018 No.	Total 2019 FTE	Total 2018 FTE
Charitable Activities				
Teachers	538	488	490	444
Administration and support	1,159	1,078	701	658
Management	35	42	35	42
	1,732	1,608	1,226	1,144

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

	Total 2019 No.	Total 2018 No.
£60,001 - £70,000	13	9
£70,001 - £80,000	8	5
£80,001 - £90,000	3	6
£90,001 - £100,000	9	6
£100,001 - £110,000	3	2
£110,001 - £120,000	3	1
£120,001 - £130,000	1	1
£160,001 - £170,000	0	1
£200,000 - £210,000	1	0
	41	31

32 of the above employees participated in the Teachers' Pension Scheme (2018: 25). During the year ended 31 August 2019, pension contributions for these staff amounted to £402,401 (2018: £327,439). 7 (2018: 4) employees participated in the Local Government Pension Scheme, pension contributions amounted to £89,934 (2018: £20,384). None of the above employees participated in a defined contribution scheme (2018: 0).

Key Management Personnel

The key management personnel of the Academy Trust comprise the trustees (pg 3) and the senior management team (page 4). The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £1,238,969 (2018: £1,097,526)

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

9 Central Services

The management charge is 6% of General Annual Grant income which for 2018-19 amounts to £2,742,455 (2018: £2,159,123 at 5%). In 2018-19 the TEFAT Board agreed to increase the management charge to 6% from 5% of which 0.5% is used as a regional development fund for our schools.

<i>Management Charge Per School</i>	Total 2019 £'s	Total 2018 £'s
Billesley Primary School	167,386	137,899
Cavalry Primary School	93,834	76,594
Chandos Primary School	113,569	98,855
Claremont Primary School	105,863	95,414
Croft Academy	64,732	53,521
Elm Road Primary School	59,563	49,531
Eyrescroft Primary School	93,544	71,421
George Betts Primary School	113,580	94,399
Griffin Primary School	105,125	95,180
Greenside Primary School	60,222	52,916
Highlees Primary School	101,780	85,186
Hillingdon Primary School	156,136	118,818
John Locke Academy	94,329	59,532
Kings Rise Academy	116,549	91,570
Lena Gardens Academy	47,130	43,846
Millfield Primary School	63,518	53,259
Nene Infants	60,895	45,809
Parkfield Primary School	106,077	90,717
Pinkwell Primary School	206,978	187,315
Ramsey Juniors	52,523	43,410
Ramsey Infants	43,473	33,880
Ramnoth Primary School	63,845	51,359
Shireland Hall Academy	171,664	136,533
Shirestone Academy	64,375	60,479
The Hyde Primary School	117,873	100,193
Tiverton Primary School	61,203	50,799
Westwood Primary School	140,181	-
Woods Bank Primary Academy	96,500	80,688
	2,742,445	2,159,123

10 Related Party Transactions - Trustees' Remuneration and Expenses

There was one Director of TEFAT who is also a Trustee in receipt of remuneration in respect of services they provide for undertaking the role of Accounting Officer and CEO under a contract of employment and not in respect of their services as Trustee. Other Trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

Hugh Greenway, CEO, received remuneration of £202,805 in 2019 (2018: £169,720). In addition employers pension contributions paid were £21,250 (2018: £16,454).

One trustee was reimbursed expenses for their role as a trustee. The total amount paid was £190 relating to travel expenses (2018: £222 for one trustee).

Related party transactions involving the Trustees are set out in note 25.

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

11 Trustees' and Officers' Insurance

The Academy Trust has entered into the Risk Protection Arrangement (RPA) to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

The Risk Protection Arrangement (RPA) is provided by the Department for Education and covers the major insurance needs for the Trust. For items not covered by the RPA the Trust has procured commercial insurance via Marsh Insurance Brokers. The payment made to the RPA in 2018-19 was £218,356 (2017-18: £198,936).

12 Intangible Fixed Assets

	Computer Software £'000	Total 2019 £'000	Total 2018 £'000
Cost			
At 1 September 2018	79	79	79
Additions	-	-	-
Disposals	(63)	(63)	-
At 31 August 2019	16	16	79
Amortisation			
At 1 September 2018	77	77	73
Charged in year	2	2	4
Disposals	(63)	(63)	0
At 31 August 2019	16	16	77
Net book values			
At 31 August 2019	-	-	2
At 31 August 2018	2	2	2

13 Tangible Fixed Assets

	Leasehold Land and Buildings £'000	Furniture and Equipment £'000	Computer Equipment £'000	Assets Under Construction £'000	Total 2019 £'000
Cost					
At 1 September 2018	64,921	480	984	6,243	72,628
Additions	2,312	275	401	69	3,057
Transfers in	9,718	-	-	-	9,718
Disposals	-	-	(13)	-	(13)
Transfers	6,243	-	-	(6,243)	-
At 31 August 2019	83,194	755	1,372	69	85,390
Depreciation					
At 1 September 2018	5,951	259	659	-	6,869
Charged in year	1,531	121	239	-	1,892
Disposals	-	-	(13)	-	(13)
At 31 August 2019	7,482	380	885	-	8,748
Net book values					
At 31 August 2019	75,711	375	487	69	76,642
At 31 August 2018	58,970	221	325	6,243	65,759

14 Debtors

	Total 2019 £'000	Total 2018 £'000
Trade debtors	496	241
Prepayments	528	447
VAT recoverable	395	258
Accrued income	889	1,396
	2,308	2,342

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

15 Creditors: Amounts Falling due within one Year

	Total 2019 £'000	Total 2018 £'000
Trade creditors	1,675	1,197
Other taxation and social security	-	764
Other creditors	564	811
Accruals and deferred income	1,764	2,152
	4,003	4,924

	Total 2019 £'000	Total 2018 £'000
Deferred income		
Deferred income at 1 September	990	802
Resources deferred in year	1,020	990
Amounts released from previous years	(990)	(802)
Deferred income at 31 August	1,020	990

Deferred income is income received in the reported financial year to which the trust is not yet entitled as it relates to a future period. The deferred income balance at the end of the financial year was almost all due to the Academy Trust holding funds received in advance for universal free school meals provision for infant pupils.

16 Funds

	Balance at 1 September 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses and Transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	3,116	51,683	(50,853)	-	3,946
Pension reserve	(28,002)	(843)	(2,907)	(8,756)	(40,508)
Start Up Grant	157	50	(66)	-	141
Other ESFA/Local Authority grants	-	7,547	(7,426)	-	121
Voluntary Income	-	250	(246)	-	4
	(24,729)	58,687	(61,498)	(8,756)	(36,296)
Restricted fixed asset funds					
DfE/ESFA/LA capital grants	899	2,916	-	(3,056)	759
Fixed assets purchased from capital grant	11,719	-	(362)	3,056	14,413
Inherited fixed assets	54,040	9,718	(1,532)	-	62,226
	66,658	12,634	(1,894)	-	77,398
Total restricted funds	41,929	71,321	(63,392)	(8,756)	41,102
Unrestricted funds					
Unrestricted funds	2,748	2,348	(2,310)	-	2,786
Total unrestricted funds	2,748	2,348	(2,310)	-	2,786
Total funds	44,677	73,669	(65,702)	(8,756)	43,888

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the ESFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2019. A transfer of funds represents the amount of revenue income spent over and above the capital funding received by schools in the purchase of fixed assets.

The Pension reserve relates to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

16 Funds (continued)

The Start Up Grant Fund relates to the restricted grant funding received from the DfE/ESFA to assist with the costs incurred by the school during the process on conversion to academy status.

The Other ESFA/Local Authority fund relates to the restricted grant funding received from the ESFA or Local Authorities which falls outside the scope of core funding.

The DfE/ESFA/Local Authority capital grant fund represents the total amount of capital grants received. The monies spent on fixed assets and refurbishment works are therefore allocated to this fund. Depreciation charge on the fixed asset purchases is allocated to the fund. The fund balance carried forward represent the carrying value of the fixed assets purchased using the capital grants received, together with the value of capital grants unspent by the reporting date.

The Inherited Fixed Assets Fund has been set up to recognise the tangible assets gifted to the academy upon conversion by the local authority which represent the school site inherited from the local authority including the leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

Analysis of academies by fund balance

	Balance at 31 August 2019	Balance at 31 August 2018
Fund balances were allocated as follows:		
	£'000	£'000
Billesley Primary School	95	72
Cavalry Primary School	244	250
Chandos Primary School	309	195
Claremont Primary	471	74
Croft Academy	124	54
Elm Road Primary School	30	1
Eyrescroft Primary School	25	7
George Betts Primary Academy	111	192
Greenside Primary School	420	415
Griffin Primary School	1,229	1,147
Highlees Primary School	349	311
Hillingdon Primary Academy	222	155
John Locke Academy	1	9
Kings Rise Academy	200	30
Lena Gardens Primary School	9	23
Millfield Primary	261	229
Nene Infant and Nursery School	281	419
Parkfield Primary School	(102)	(21)
Pinkwell Primary School	628	530
Ramnoth Junior School	(57)	182
Ramsey Infants	52	39
Ramsey Juniors	90	51
Shireland Hall Primary Academy	603	516
The Elliot Foundation Academies Trust	268	131
The Hyde School	376	473
The Shirestone Academy	273	278
Tiverton Primary Academy	175	170
Westwood Primary School	114	0
Woods Bank Primary Academy	197	89
Total before fixed assets and pension reserve	6,998	6,021
Restricted fixed asset fund	77,398	66,658
Pension Reserve	(40,508)	(28,002)
	43,888	44,677

The only stand alone academy with a cumulative deficit is Parkfield Primary School. The deficit is considered manageable and is underwritten by the Trust. A plan is being put in place to return the academy to a surplus position, without impacting on teaching and learning.

Although Ramnoth Junior School is showing as being in deficit, it is in a federation with Nene Infant and Nursery School. The combined reserves remain in surplus. A plan is also in place to improve the combined financial position this year.

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
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16 Funds (continued)

Analysis of academies by cost:

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

	Teaching & Educational Support Staff Costs	Other Support Staff	Educational Supplies	Other Costs (Excluding Depreciation & Amortisation)	Year ended 31 August 2019	Year ended 31 August 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Billesley Primary School	2,676	497	69	409	3,651	3,632
Cavalry Primary School	1,668	153	61	293	2,175	2,103
Chandos Primary School	1,466	495	35	322	2,318	2,406
Claremont Primary	1,451	124	79	344	1,998	2,325
Croft Academy	832	164	19	237	1,252	1,217
Elm Road Primary School	799	101	21	180	1,101	1,097
Eyrescroft Primary School	1,216	283	79	213	1,791	1,755
George Betts Primary Academy	1,612	248	79	340	2,279	2,178
Greenside Primary School	912	128	36	177	1,253	1,282
Griffin Primary School	1,455	115	89	336	1,995	1,904
Highlees Primary School	1,407	228	65	244	1,944	1,980
Hillingdon Primary Academy	2,499	355	102	507	3,463	3,040
John Locke Academy	1,471	168	64	461	2,164	1,610
Kings Rise Academy	1,542	420	61	276	2,299	2,344
Lena Gardens Primary School	868	120	9	180	1,177	1,049
Millfield Primary	905	161	35	226	1,327	1,326
Nene Infant and Nursery School	1,488	147	38	211	1,884	1,623
Parkfield Primary School	2,072	167	61	421	2,721	2,627
Pinkwell Primary School	2,863	488	124	670	4,145	4,523
Ramoth Junior School	1,145	127	23	228	1,523	1,235
Ramsey Infants	618	45	35	140	838	815
Ramsey Juniors	738	92	83	140	1,053	1,022
Shireland Hall Primary Academy	2,620	352	81	460	3,513	3,265
The Elliot Foundation Academies Trust	126	1,680	19	942	2,767	2,293
The Hyde School	1,981	147	114	443	2,685	2,632
The Shirestone Academy	937	160	39	349	1,485	1,460
Tiverton Primary Academy	825	219	27	227	1,298	1,247
Westwood Primary School	2,140	341	60	278	2,819	0
Woods Bank Primary Academy	1,389	237	38	309	1,973	1,927
LGPS pension cost	2,119	-	-	788	2,907	2,941
	43,840	7,962	1,645	10,351	63,798	58,858

17 Analysis of Net Assets between Funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £'000	Restricted General funds £'000	Restricted Fixed Asset Funds £'000	Balance at 31 August 2019 £'000
Tangible Fixed Assets	-	-	76,642	76,642
Intangible Fixed Assets	-	-	-	-
Current assets	4,380	6,621	756	11,757
Current liabilities	(1,594)	(2,409)	-	(4,003)
Pension scheme liability	-	(40,508)	-	(40,508)
Total net assets	2,786	(36,296)	77,398	43,888

Fund balances at 31 August 2018 were represented by:

	Unrestricted Funds £'000	Restricted General funds £'000	Restricted Fixed Asset Funds £'000	Balance at 31 August 2018 £'000
Tangible Fixed Assets	-	-	65,759	65,759
Intangible Fixed Assets	-	-	2	2
Current assets	4,993	5,952	897	11,842
Current liabilities	(2,245)	(2,679)	-	(4,924)
Pension scheme liability	-	(28,002)	-	(28,002)
Total net assets	2,748	(24,729)	66,658	44,677

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

18 Capital Commitments

	Total 2019 £'000	Total 2018 £'000
Contracted for, but not provided in the financial statements	577	63
	<u>577</u>	<u>63</u>

19 Commitments under operating leases

At 31 August the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was as follows:

	Total 2019 £'000	Total 2018 £'000
Amounts due within one year	140	85
Amounts due between one and five years	198	121
	<u>338</u>	<u>206</u>

20 Reconciliation of Net Income to Net Cashflow from Operating Activities

	Total 2019 £'000	Total 2018 £'000
Net income for the reporting period	7,967	5,280
Amortisation (note 12)	2	4
Depreciation (note 13)	1,892	1,661
Capital grants from DfE and other capital income	(11,574)	(1,431)
Gifted assets	(896)	(6,160)
Cash transferred in on conversion (note 26)	(156)	-
Interest receivable (note 4)	(6)	(4)
Defined Benefit pension cost less contributions payable (note 24)	2,119	2,151
Defined Benefit Pension finance income (note 24)	788	790
Defined benefit pension scheme obligation inherited (note 26)	843	-
Decrease in debtors	34	584
(Decrease) / Increase in creditors	(921)	864
Net cash provided by operating activities	<u>92</u>	<u>3,739</u>

21 Conversion to an Academy Trust

	Total 2019 £'000	Total 2018 £'000
Tangible fixed assets:		
Leasehold land and buildings	9,718	-
- School budget surplus	156	-
- LGPS pension deficit	(843)	-
Net assets/(liabilities)	<u>9,032</u>	<u>-</u>

22 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 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.

23 Analysis of Changes in Net Funds

	At 1 September 2018	Cash flows	At 31 August 2019	At 31 August 2018
	£'000	£'000	£'000	£'000
Cash in hand and at bank	9,500	(51)	9,449	9,500
	<u>9,500</u>	<u>(51)</u>	<u>9,449</u>	<u>9,500</u>

The Elliot Foundation Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

24 Pension and similar obligations

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

The LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to and did join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Contributions were payable to the schemes as follows at 31 August 2019 and are included within other creditors:

	Balance at 31 August 2019 £	Balance at 31 August 2018 £
Teachers' Pension Scheme	700	287,994
Local Government Pension Scheme	-	375,116
	<u>700</u>	<u>663,110</u>

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The pension costs paid to TPS in the year amounted to £2,584,000 (2018: £2,752,000).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

24 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £4,430,000 (2018: £4,074,000), of which employer's contributions totalled £3,492,000 (2018: £3,230,000) and employees' contribution totalled £938,000 (2018: £844,000). The agreed rates for future years are 10.8 - 24.8 per cent for employers and between 5.5 - 6.8 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 trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The organisation operates seven defined pension plans. A summary of the plans is as follows.

	West Midlands £'000	Barnet £'000	Hammersmith & Fulham £'000	Hillingdon £'000	Cambridges hire £'000	Islington £'000	Wandsworth £'000	Total £'000
2019								
Fair value of plan assets	10,422	3,093	1,897	4,986	7,256	688	533	28,875
Present value of funded defined	(26,980)	(7,169)	(3,502)	(10,640)	(18,690)	(1,599)	(803)	(69,383)
Deficit in schemes	(16,558)	(4,076)	(1,605)	(5,654)	(11,434)	(911)	(270)	(40,508)
Amounts recognised in the Statement of Financial Activities								
Current service cost	1,666	555	159	731	1,664	327	66	5,168
Past service cost	309	24	43	56	71	38	13	554
Net interest cost	339	76	29	102	222	16	4	788
Gain on curtailment	(111)	-	-	-	-	-	-	(111)
Total	2,203	655	231	889	1,957	381	83	6,399
2018								
Fair value of plan assets	8,428	2,502	1,704	4,086	4,755	412	438	22,325
Present value of funded defined	(21,719)	(5,142)	(2,861)	(7,676)	(11,550)	(777)	(602)	(50,327)
Deficit in schemes	(13,291)	(2,640)	(1,157)	(3,590)	(6,795)	(365)	(164)	(28,002)
Amounts recognised in the Statement of Financial Activities								
Current service cost	1,829	637	182	906	1,477	279	58	5,368
Net interest cost	370	76	34	106	188	10	6	790
Gain on curtailment	13	-	-	-	-	-	-	13
Total	2,212	713	216	1,012	1,665	289	64	6,171

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

WEST MIDLANDS PENSION FUND

Principal actuarial assumptions

	2019	2018
Rate of increase in salaries	3.7%	3.8%
Rate of increase for pensions in payment/ inflation	2.2%	2.3%
Discount rate for scheme liabilities	1.9%	2.7%
Inflation rate (CPI)	2.2%	2.3%

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

	2019 Years	2018 Years
Retiring today:		
Males	20.9	21.9
Females	23.2	24.4
Retiring in 20 years:		
Males	22.6	24.1
Females	25.1	26.7

The Academy Trust's share of the assets in the West Midlands scheme were:

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	6,269	5,334
Government bond:	986	607
Other bonds	393	311
Property	852	684
Cash/liquidity	375	315
Other	1,547	1,177
FAIR VALUE OF ASSETS	10,422	8,428

The actual return on the scheme assets was £730,000 (2018: £84,000).

Amounts recognised in the Statement of Financial Activities:	2019 £'000	2018 £'000
Current service cost	1,666	1,829
Past service cost	309	-
Net interest cost	339	370
(Loss)/gain on curtailment	(111)	13
Total operating charge	2,203	2,212

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

WEST MIDLANDS PENSION FUND (continued)

Changes in present value of defined benefit obligations

	2019	2018
	£'000	£'000
At 1 September	21,719	21,735
Current Service Cost	1,666	1,829
Interest Cost	577	567
Actuarial losses/(gains)	2,736	(2,538)
Contribution by members	294	284
Benefits paid	(191)	(171)
Past service cost	309	-
Gains on curtailments and settlements	(130)	13
At 31 August	26,980	21,719

Changes in the fair value of Academy Trust's share of scheme assets

	2019	2018
	£'000	£'000
At 1 September	8,428	6,933
Interest income	238	197
Return on plan assets (excluding net interest on the defined pension liability)	351	(111)
Contributions by employer	1,321	1,296
Contributions by members	294	284
Benefits paid	(191)	(171)
Settlement prices paid	(19)	-
At 31 August	10,422	8,428

BARNET PENSION FUND

Principal actuarial assumptions

	2019	2018
Rate of increase in salaries	2.6%	2.6%
Rate of increase for pensions in payment/ inflation	2.3%	2.3%
Discount rate for scheme liabilities	1.9%	2.8%
Inflation rate (CPI)	2.3%	2.3%

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

	2019	2018
	Years	Years
Retiring today:		
Males	21.0	21.9
Females	23.3	24.3
Retiring in 20 years:		
Males	22.3	23.9
Females	25.1	26.5

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

BARNET PENSION FUND (continued)

The Academy Trust's share of the assets in the Barnet scheme were:

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	1,732	1,451
Other bonds	990	751
Property	93	-
Cash/liquidity	278	300
TOTAL FAIR VALUE OF ASSETS	3,093	2,502

The actual return on the scheme assets was £99,000 (2018: £75,000).

Amounts recognised in the Statement of Financial Activities:	2019 £'000	2018 £'000
Current service cost	555	637
Past service cost	24	-
Net interest cost	76	76
Total operating charge	655	713

Changes in present value of defined benefit obligation:

	2019 £'000	2018 £'000
At 1 September	5,142	4,890
Current Service Cost	555	637
Interest Cost	152	131
Actuarial losses/(gains)	1,231	(585)
Contribution by members	89	89
Benefits paid	(24)	(20)
Past service cost	24	-
At 31 August	7,169	5,142

Changes in the fair value of Academy Trust's share of scheme assets

	2019 £'000	2018 £'000
At 1 September	2,502	2,005
Interest income	76	55
Return on plan assets (excluding net interest on the defined pension liability)	96	25
Contributions by employer	354	348
Contributions by members	89	89
Benefits paid	(24)	(20)
At 31 August	3,093	2,502

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

24 Pension and similar obligations (continued)

HAMMERSMITH AND FULHAM PENSION FUND

Principal actuarial

	2019	2018
Rate of increase in salaries	3.7%	3.8%
Rate of increase for pensions in payment/ inflation	2.2%	2.3%
Discount rate for scheme liabilities	1.9%	2.7%
Inflation rate (CPI)	2.2%	2.3%

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

	2019 Years	2018 Years
Retiring today:		
Males	23.4	24.5
Females	24.8	26.1
Retiring in 20 years:		
Males	25.1	26.8
Females	26.7	28.5

The Academy Trust's share of the assets in the Hammersmith and Fulham scheme were:

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	919	987
Other bonds	25	-
Property	188	153
Cash/liquidity	54	47
Other	711	517
TOTAL FAIR VALUE OF ASSETS	1,897	1,704

The actual return on the scheme assets was £95,000 (2018: £34,000).

Amounts recognised in the Statement of Financial Activities:	2019 £'000	2018 £'000
Current service cost	159	182
Past service cost	43	-
Net interest cost	29	34
Total operating charge	231	216

Changes in present value of defined benefit obligation

	2019 £'000	2018 £'000
At 1 September	2,861	2,908
Current Service Cost	159	182
Interest Cost	76	76
Actuarial losses/(gains)	354	(321)
Contribution by members	27	27
Benefits paid	(18)	(11)
Past Service Cost	43	-
At 31 August	3,502	2,861

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

HAMMERSMITH AND FULHAM PENSION FUND (continued)

Changes in the fair value of Academy Trust's share of scheme assets

	2019	2018
	£'000	£'000
At 1 September	1,704	1,552
Interest income	47	42
Return on plan assets (excluding net interest on the defined pension liability)	34	(8)
Contributions by employer	103	102
Contributions by members	27	27
Benefits paid	(18)	(11)
At 31 August	1,897	1,704

HILLINGDON PENSION FUND

Principal actuarial assumptions

	2019	2018
Rate of increase in salaries	2.7%	2.7%
Rate of increase for pensions in payment/ inflation	2.3%	2.3%
Discount rate for scheme liabilities	1.9%	2.8%
Inflation rate (CPI)	2.3%	2.3%

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

	2019 Years	2018 Years
Retiring today:		
Males	21.7	22.6
Females	23.7	24.6
Retiring in 20 years:		
Males	22.4	24.0
Females	25.0	26.5

The Academy Trust's share of the assets in the Hillingdon scheme were:

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	2,343	2,002
Other bonds	1,745	1,144
Property	549	490
Cash/liquidity	349	450
TOTAL FAIR VALUE OF ASSETS	4,986	4,086

The actual return on the scheme assets was £155,000 (2018: £184,000).

Amounts recognised in the Statement of Financial Activities:	2019 £'000	2018 £'000
Current service cost	731	906
Past service cost	56	-
Net interest costs	102	100
Total operating charge	889	1,012

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

HILLINGDON PENSION FUND (continued)

Changes in present value of defined benefit obligation

	2019	2018
	£'000	£'000
At 1 September	7,676	7,355
Current Service Cost	731	906
Interest Cost	226	196
Actuarial (gains)/losses	1,860	(883)
Contribution by members	134	136
Benefits paid	(43)	(34)
Past service costs	56	-
At 31 August	10,640	7,676

Changes in the fair value of the Academy Trust's share of scheme assets

	2019	2018
	£'000	£'000
At 1 September	4,086	3,290
Interest income	124	90
Return on plan assets (excluding net interest on the defined pension liability)	172	52
Contributions by employer	513	552
Contributions by members	134	136
Benefits paid	(43)	(34)
At 31 August	4,986	4,086

CAMBRIDGESHIRE PENSION FUND

Principal actuarial assumptions

	2019	2018
Rate of increase in salaries	2.6%	2.7%
Rate of increase for pensions in payment/ inflation	2.3%	2.4%
Discount rate for scheme liabilities	1.9%	2.8%
Inflation rate (CPI)	2.3%	2.4%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expecta

	2019	2018
	Years	Years
Retiring today:		
Males	21.5	22.4
Females	23.5	24.4
Retiring in 20 years:		
Males	22.4	24.0
Females	24.9	26.3

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

CAMBRIDGESHIRE PENSION FUND (continued)

The Academy Trust's share of the assets in the Cambridgeshire scheme were:

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	5,442	3,756
Other bonds	943	523
Property	798	333
Cash/liquidity	73	143
TOTAL FAIR VALUE OF ASSETS	7,256	4,755

The actual return on the scheme assets was £167,000 (2018: £300,000).

Amounts recognised in the Statement of Financial Activities:	2019 £'000	2018 £'000
Current service cost	1,664	1,477
Past service cost	71	-
Net interest cost	222	188
Total operating charge	1,957	1,665

Changes in present value of defined benefit obligation:

	2019 £'000	2018 £'000
At 1 September	11,550	10,731
Upon conversion	1,793	-
Current Service Cost	1,664	1,477
Interest Cost	397	288
Actuarial losses/(gains)	3,005	(1,106)
Contribution by members	260	203
Benefits paid	(50)	(43)
Past Service Cost	71	-
At 31 August	18,690	11,550

Changes in the fair value of the Academy Trust's share of scheme assets

	2019 £'000	2018 £'000
At 1 September	4,755	3,467
Upon conversion	950	-
Interest income	175	100
Return on plan assets (excluding net interest on the defined pension liability)	126	209
Contributions by employer	1,040	819
Contributions by members	260	203
Benefits paid	(50)	(43)
At 31 August	7,256	4,755

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

ISLINGTON PENSION FUND

Principal actuarial

	2019	2018
Rate of increase in salaries	3.5%	3.6%
Rate of increase for pensions in payment/ inflation	2.1%	2.2%
Discount rate for scheme liabilities	1.8%	2.8%
Inflation rate (CPI)	2.0%	2.1%

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

	2019 Years	2018 Years
Retiring today:		
Males	23.1	23.0
Females	26.3	26.2
Retiring in 20 years:		
Males	25.3	25.2
Females	28.6	28.5

The Academy Trust's share of the assets in the Islington scheme were:

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	400	234
Other bonds	78	69
Property	129	68
Cash/liquidity	3	2
Other	78	39
TOTAL FAIR VALUE OF ASSETS	688	412

The actual return on the scheme assets was £34,000 (2018: £18,000).

Amounts recognised in the Statement of Financial Activities:	2019 £'000	2018 £'000
Current service cost	327	279
Past service cost	38	-
Net interest cost	16	10
Total operating charge	381	289

Changes in present value of defined benefit obligations

	2019 £'000	2018 £'000
At 1 September	777	455
Current Service Cost	327	279
Interest Cost	23	12
Actuarial losses/(gains)	310	(67)
Contribution by members	124	98
Past service cost	38	-
At 31 August	1,599	777

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

ISLINGTON PENSION FUND (continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2019 £'000	2018 £'000
At 1 September	412	215
Interest income	7	2
Return on plan assets (excluding net interest on the defined pension liability)	18	8
Contributions by employer	127	89
Contributions by members	124	98
At 31 August	688	412

WANDSWORTH PENSION FUND

Principal actuarial assumptions

	2019	2018
Rate of increase in salaries	3.7%	3.8%
Rate of increase for pensions in payment/ inflation	2.2%	2.3%
Discount rate for scheme liabilities	1.9%	2.7%
Inflation rate (CPI)	2.2%	2.3%

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

	2019 Years	2018 Years
Retiring today:		
Males	23.4	24.5
Females	24.8	26.1
Retiring in 20 years:		
Males	25.1	26.8
Females	26.7	28.5

The Academy Trust's share of the assets in the Wandsworth scheme were:

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	357	293
Government bond	16	18
Other bonds	60	44
Property	26	15
Cash/liquidity	6	2
Other	68	66
TOTAL FAIR VALUE OF ASSETS	533	438

The actual return on the scheme assets was £59,000 (2018: £31,000).

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2019

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

WANDSWORTH PENSION FUND (continued)

Amounts recognised in the Statement of Financial Activities:	2019 £'000	2018 £'000
Current service cost	66	58
Past service cost	13	-
Net interest cost	4	6
Total operating charge	<u>83</u>	<u>64</u>

Changes in present value of defined benefit obligations	2019 £'000	2018 £'000
At 1 September	602	622
Current Service Cost	66	58
Interest Cost	16	16
Actuarial (gains)/losses	97	(94)
Contribution by members	10	7
Benefits paid	(1)	(7)
Past service cost	13	-
At 31 August	<u>803</u>	<u>602</u>

Changes in the fair value of the Academy Trust's share of scheme assets	2019 £'000	2018 £'000
At 1 September	438	386
Interest income	12	10
Return on plan assets (excluding net interest on the defined pension liability)	40	18
Contributions by employer	34	24
Contributions by members	10	7
Benefits paid	(1)	(7)
At 31 August	<u>533</u>	<u>438</u>

The Elliot Foundation Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

25 Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academies financial regulations and normal procurement procedures.

One Trustee, Hugh Greenway was engaged as an employee during the year to August 2019. Details of relevant payments are included in note 10. Hugh Greenway is a director of TEFLA Ltd, which was incorporated in 2017-18. TEFLA Ltd had not started trading at year end.

Marianne Linden is the mother in law of the CEO/AO, Hugh Greenway, and she was employed as Office Manager for TEFAT for the year to 31 August 2019. She was paid a total of £39,791 (2018: £39,336). There was £nil outstanding as at 31 August 2019 (2018:£nil).

The Director of Governance is also a director of TTT International Ltd and a member of Morse Digital LLP. There were transactions totalling £2,000 with these companies in the year (all Morse Digital LLP) (2018: £6,000) relating to website design. There was £nil outstanding as at 31 August 2019 (2018:£nil).

There were transactions totalling £930 for property maintenance with ConnectED in the year (2018: £1,573). They are a related party through the Principal of Millfield Primary. There was £nil outstanding as at 31 August 2019 (2018:£nil).

There are no other related party transactions other than as disclosed above.

26 Transfer of schools into the Trust

On 1 October 2018 Westwood Primary School joined the Elliot Foundation Academies Trust for £NIL consideration. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as donations.

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 assets funds	Unrestricted funds	Total funds
	£	£	£	£
Leasehold land and buildings	-	9,718,267	-	9,718,267
Cash funds	-	-	156,291	156,291
LGPS pension deficit	(843,000)	-	-	(843,000)
	(843,000)	9,718,267	156,291	9,031,558

27 Teaching School Trading Account

	Total 2019 £'000	Total 2018 £'000
Income		
Direct Income	50	60
Expenditure		
Direct staff costs	47	60
Support costs	3	-
Surplus/(Deficit) from all sources	-	-
Teaching School balances at 1 September 2018	-	-
Teaching School balances at 31 August 2019	-	-

The Teaching School started in 2017/18.

28 Post Balance Sheet Events

Lena Gardens Primary School closed on the 31st August 2019. The assets of the school will be returned to the DfE and local authority after year end. As at 31 August 2019 these were valued at £283,369 in the Trust's books.

Independent Reporting Accountant's Assurance Report on Regularity to The Elliot Foundation Academies Trust and the Education and Skills Funding Agency

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 20 June 2018 and further to the requirements of the Education and Skills Funding Agency (the 'ESFA') as included in the Academies: Accounts Direction 2018 to 19, to obtain assurance about whether the expenditure disbursed and income received by The Elliot Foundation Academies Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies: Accounts Direction 2018 to 19 Part 9: Regularity Reporting. We are independent of The Elliot Foundation Academies Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion

Responsibilities of The Elliot Foundation Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Elliot Foundation Academies Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2018, 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of The Elliot Foundation Academies Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 2018 to 19.

The Elliot Foundation Academies Trust

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2018 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion guidance in regularity' in Academies: Accounts Direction 2018 to 19.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

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

RSM UK Audit LLP

RSM UK Audit LLP
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19 December 2019