

The Elliot Foundation Academies Trust

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended

31st August 2020

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
Andrew Harper
Jonathan Ford
Gillian Bengé
Robert Anderson
Dr Tim Coulson
David Libbert (appointed 18th October 2019)
Lucy Ireland (appointed 14th February 2020)

Finance committee

[The finance committee incorporates the remuneration committee]
David Gallie (Chair)
Hugh Greenway (ex officio)
Sue Nath
Andrew Harper
Lucy Ireland (appointed 3rd July 2020)

Audit committee

Jonathan Ford (Chair)
Damon Parker
Robert Anderson
Gillian Bengé

Academic Board

Jemma Shuttleworth NLG (Chair)
Dr. Tim Coulson
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

Senior Management Team

CEO and Accounting Officer – Hugh Greenway
Finance Director – Simon Pink
Programme Director - Andy Kreppel
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

Head of Curriculum and Virtual Learning - Johanne Clifton (appointed 1st September 2020)

Principal and registered office

Pyramid House, 252b Gray's Inn Road, London, WC1X 8JT (until 28th November 2019)

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 2020. 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;
- 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 recruitment and the provision of CPD to areas of need.

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 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 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.

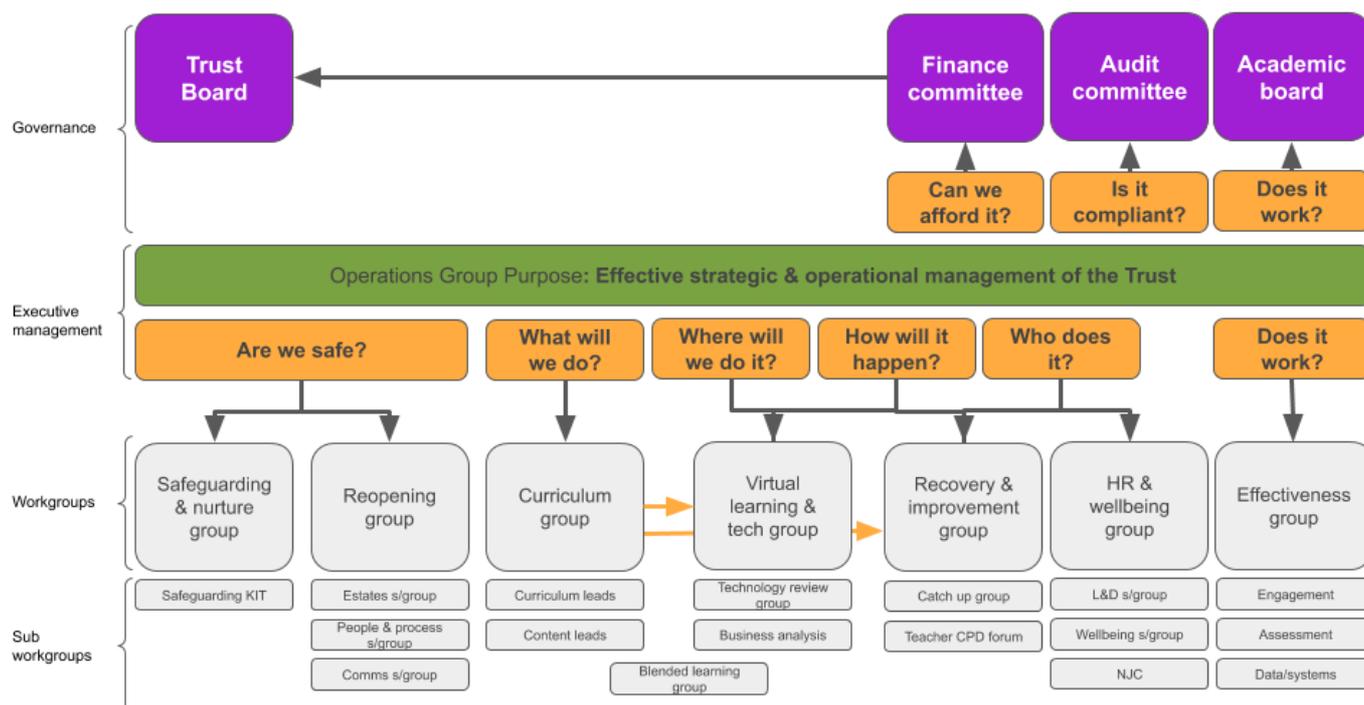
The Board of TEFAT receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board of TEFAT may from time to time establish Working Groups to perform specific tasks over a limited timescale.

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.

Workgroups during Covid

- In line with the Trust's critical incident plan, the Operations group has commissioned a number of work groups to ensure that dynamic risk management is distributed throughout the organisation during this period of heightened concern
- The workgroups support the Operations group in the day to day management of the Trust and are set out in the diagram below



Key management personnel remuneration

The key management personnel for The Elliot Foundation Academies Trust consist of all the Trustees and Officers who form the senior 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. This has been kept under review and this year was bolstered by the addition of the Head of Curriculum and

Virtual Learning. 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 twelve Trustees in the year (please refer to page 3). Trustees are unremunerated apart from Hugh Greenway who is remunerated only as CEO, as per note 10.

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	2
1-50	2
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 (£)	£19,216.45
Total pay bill (£)	£48,771,679
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 (%)**
45%

** 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 2019 to March 2020.

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 and the University of Birmingham for the provision of postgraduate 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).

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. This engagement was increased during lockdown and throughout the full reopening of our schools. A staff survey carried out in early September 2020 had over 550 responses, representing a response rate of almost 1:3. It showed that over 90% of staff respondents agreed or strongly agreed that the Trust was looking after their physical health and safety with fewer than 2% disagreeing. At the same time 85% agreed or strongly agreed that we are also looking after their mental health and well being with fewer than 5% disagreeing. Both of these strong responses were despite the fact that almost 30% are feeling anxious or extremely anxious about all children returning to school.

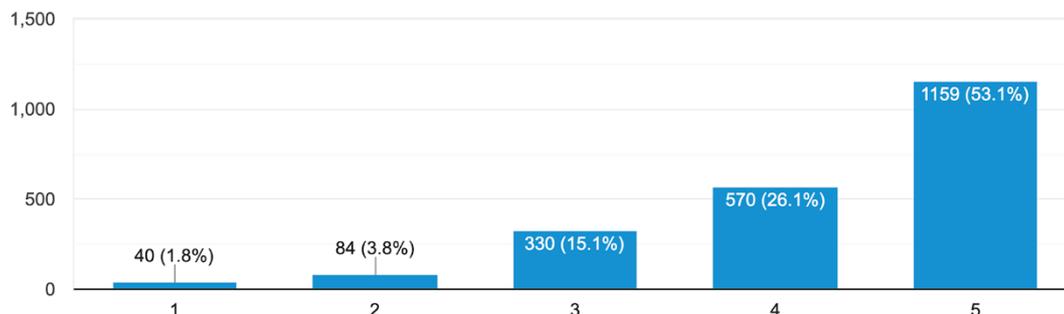
The Trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There is a training scheme in operation so that employees who have been injured or disabled in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

Engagement with parents and carers

The Trust has consulted parents directly twice during the Covid-19 period with an average response rate of 14.3%.

Do you feel that the school is looking after your child's physical health and safety?

2,183 responses

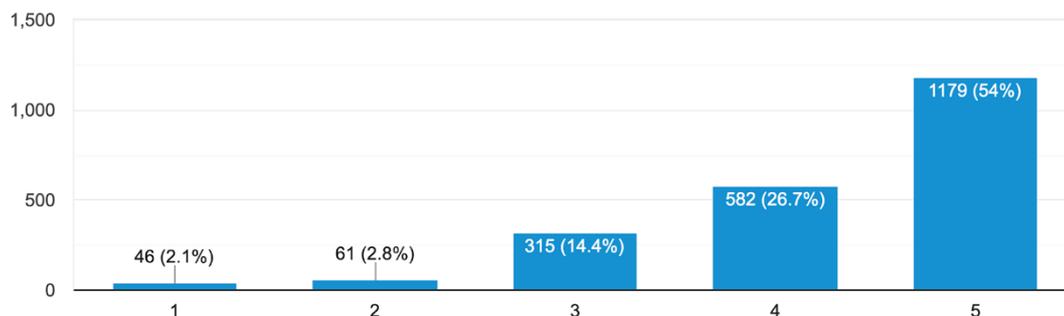


Source: Trust parental feedback questionnaire Aug 2020

Parents and carers were asked whether they felt the Trust's schools were looking after their children's physical health and safety, mental health and well being as well as being asked about their levels of anxiety concerning the pandemic, their opinions on the Trust's remote education provision and whether the Trust was communicating with them appropriately.

Do you feel that the school is looking after your child's mental health and wellbeing?

2,183 responses

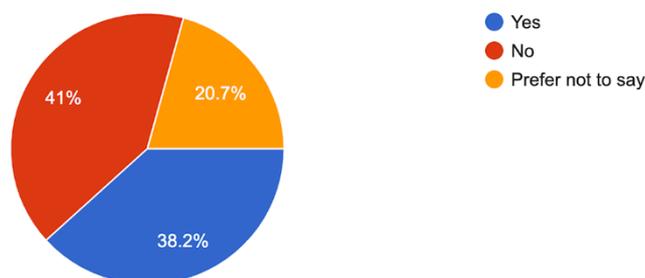


Source: Trust parental feedback questionnaire 2 Oct 2020

All measures have improved from a high starting point despite 39% of respondents expressing that they were either anxious or extremely anxious about children remaining in school. It is also worth noting that in August 38% of respondents declared that their personal or financial circumstances had been affected by Covid.

Have your personal or financial circumstances changed as a result of Covid-19 or lockdown?

2,170 responses



Source: Trust parental feedback questionnaire 1 Aug 2020

Engagement with suppliers, stakeholders and others in a business relationship with the trust

The Trust seeks to treat all suppliers and customers with due respect and to treat key relationships as true partnerships. This was exemplified during this year as the Trust acted in accordance with PPN 02/20 and 04/20. During this turbulent period the Trust engaged with key suppliers at risk, such as caterers and cleaners to agree appropriate payments to keep them going during the period of reduced activity.

Streamlined Energy and Carbon Reporting

This content is included under that heading within the Strategic Report section within the Trustees Report on page 21.

Objectives, activities and outcomes

The Charitable Company's objectives are:

1. advancing for the public benefit education in the United Kingdom by:
 - a. establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum (the Academies)
 - b. 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
2. promoting the physical, intellectual and social development of primarily but not exclusively children under five especially those who are socially and economically disadvantaged
3. developing the capacity and skills of those inhabitants of the United Kingdom who are socially and economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society
4. relieving poverty among the inhabitants of the United Kingdom
5. relieving unemployment in the United Kingdom
6. advancing the health of the inhabitants of the area of benefit
7. providing recreational and leisure time facilities in the interests of social welfare for the inhabitants of the United Kingdom especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.

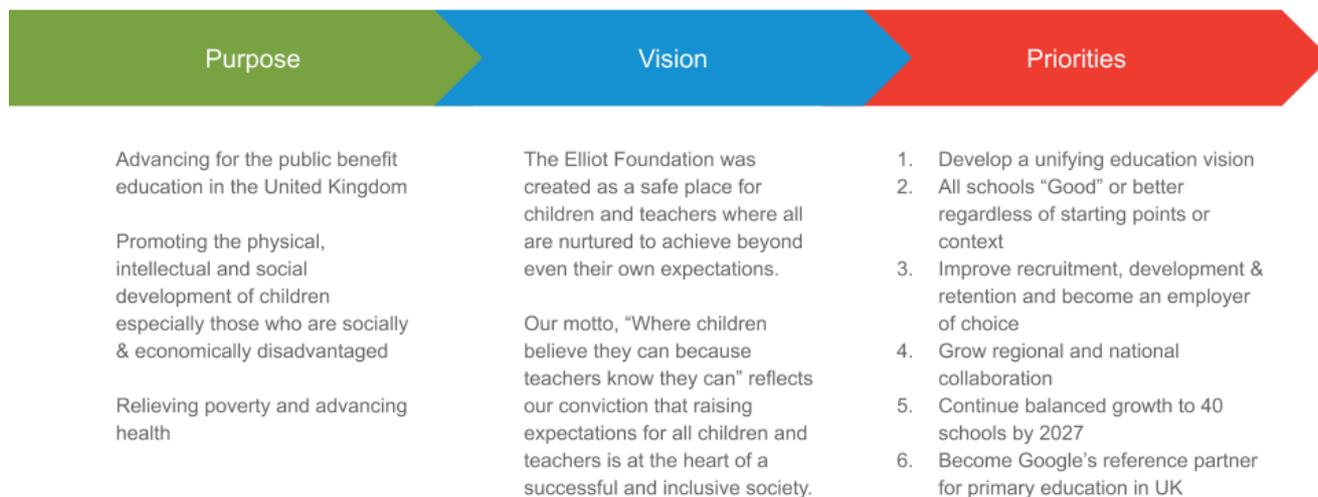
TEFAT remains comparatively rare among charitable multi-academy trusts in being a primary-only specialist. We continue to build a thriving alliance of both converter and

sponsored primary academies which is recognised by the DfE as one of the strongest in the country, as per their 2019 focussed review of the Trust.

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

Having broadly achieved our strategic goals for the period 2017-2020 the Trustees have developed a more ambitious vision for the period 2020-27

Strategy 2020-2027



Balanced growth

In the year the Trust had 28 open academies serving over 11,000 pupils, with one academy (Childs Hill Primary school) joining on 1st February 2020. There was also 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 target of having more than 12,500 pupils in Trust schools will be met. In light of continued fiscal constraints, with increases in government funding remaining below increases in costs for most Trust schools, Trustees and officers have taken a considered approach when evaluating new schools potentially joining the Trust.

Despite the government's frequent statements of increasing funding to schools, the medium term future for most of the Trust's schools like the rest of the country is one of reduced real terms funding, as any national increases have been aimed primarily at areas of low deprivation, which does not include the majority of the Trust's schools. In turn increased costs are being imposed on all schools. However, the Trust has managed its funds well and expects its measured growth to continue.

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>

The Elliot Foundation Academies Trust

TRUSTEES' REPORT

Trustees were pleased with the progress noted by Ofsted's interim inspection of Ramnoth school, which had been placed in 'Special measures' the previous year, and are confident that the school is making rapid advances towards recovering its 'Good' judgement.

Achievement

There were no SATs tests conducted in 2020 due to the impact of the coronavirus. Consequently, there are no comparisons to be made with previous years. Before the impact of lockdown the Trust adjusted its priorities to concentrate on KS1 as part of a longer term strategy towards improving outcomes for the most disadvantaged.

School name	Pupil Roll		Academy type	Pupil & community context				Safe	Ofsted		Attainment		Finance	HR	Other																	
	Location	Roll latest (Assembly 16/10)		Roll Trend 4 years	Date Joined	Spons. or Conv.	EAL Latest (Assembly 29/9)		EAL Trend	PP Latest (Assembly 29/9)	PP trend	IMD 2019 (0-least 5-most)			PEX YTD 8/10	FTEX YTD 8/10	MyConcerns raised YTD 16/11	Ofsted on join	Inspected as academy	Current Ofsted	KS2 2019	KS2 trend 4 years	KS2 Forecast 2021	Ficast outturn 2021	Funds Trend	Staff turnover 2019/20	Rolling 12 month turnover	Education	Safeguarding (Covid rubric)	Finance	Governance	HR
Billesley Primary School	B13 0ES	671	Nov-2012 Spons.	47%	41%	5	0	0	289	3	Y	1	72%	78%	£142	6%	6%	2	2	2	2	2	1	1	2	2	2	2	2	1	1	2
Cavalry Primary School	PE15 9EQ	462	Mar-2017 Conv.	9%	25%	3	0	0	41	2	Y	2	51%	50%	£188	9%	9%	3	2	2	2	1	1	1	1	1	1	1	1	1	1	
Chandos Primary School	B12 0YN	465	Feb-2017 Spons.	65%	52%	5	0	0	91	3	Y	2	46%	50%	£254	16%	16%	3	3	2	3	2	2	2	2	2	2	2	2	2	2	
Childs Hill	NW2 1SL	407	Jan-2020 Conv.	72%	27%	3	0	0	28	2	N	2	66%	51%	£53	6%	11%	2	3	2	2	2	2	1	2	2	2	2	2	2	2	
Claremont Primary School	NW2 1AB	325	Apr-2016 Conv.	74%	41%	4	0	1	44	3	Y	2	59%	55%	£355	14%	16%	3	2	3	2	3	3	3	2	2	2	2	2	2	2	
Croft Academy	WS2 8JE	232	Sep-2012 Spons.	65%	55%	5	0	0	48	3	Y	3	57%	53%	£160	5%	5%	3	2	1	3	2	1	2	2	3	2	2	2	2	2	2
Elm Road Primary School	PE13 2TB	203	Nov-2015 Conv.	39%	25%	5	0	0	33	3	Y	2	59%	43%	£106	19%	23%	3	2	2	2	2	1	2	1	2	1	2	1	2	1	2
Eyrescroft Primary School	PE3 8EZ	297	Dec-2015 Spons.	37%	41%	5	0	0	70	4	Y	3	32%	44%	£18	34%	40%	4	2	2	3	2	2	3	2	2	2	2	2	2	2	2
George Betts Primary Academy	B66 1RE	418	Jul-2013 Spons.	56%	30%	5	0	0	234	3	Y	2	78%	65%	-£11	10%	12%	2	1	3	2	1	3	2	2	4	2	2	2	2	2	2
Greenside Primary School	W12 9PT	225	Apr-2015 Conv.	22%	32%	5	0	0	21	2	Y	2	78%	79%	£468	26%	26%	2	1	1	2	1	3	3	1	2	2	2	2	2	2	2
Griffin Primary School	SW8 4JB	226	Apr-2017 Novat.	47%	51%	4	0	0	62	3	Y	3	65%	63%	£1,275	24%	24%	2	2	1	2	1	2	3	2	2	2	2	2	2	2	2
Highlees Primary School	PE3 7ER	373	Sep-2013 Spons.	53%	39%	5	0	0	139	4	Y	2	38%	50%	£437	31%	30%	4	2	1	3	2	3	2	2	2	2	2	2	2	2	2
Hillingdon Primary School	UB10 0PH	681	Jul-2014 Conv.	58%	14%	3	0	0	27	1	N	1	76%	64%	£82	10%	9%	2	1	3	2	2	1	1	2	2	2	2	2	2	2	2
John Locke Academy	UB10 0FW	627	Sep-2014 New	21%	7%	3	0	0	48	-	Y	1		68%	-£59	8%	8%	2	2	3	2	1	1	3	2	2	2	2	2	2	2	2
Kings Rise Academy	B44 0JL	409	Nov-2012 Spons.	22%	43%	5	0	1	173	4	Y	3	84%	65%	£517	10%	14%	3	2	1	3	2	3	3	3	3	3	3	3	3	3	3
Millfield Primary School	CB6 1HW	347	Dec-2015 Conv.	9%	24%	2	0	0	32	3	Y	2	57%	45%	£333	13%	13%	2	2	2	2	1	1	3	2	2	2	2	2	2	2	2
Nene	PE13 2AP	363	Nov-2013 Spons.	35%	33%	5	0	0	Junior	3	Y	3			£348	26%	26%	3	2	3	3	3	3	3	2	4	2	2	2	2	2	2
Parkfield Primary School	NW4 3PJ	432	Aug-2013 Spons.	88%	20%	3	0	0	8	4	Y	2	42%	50%	-£184	11%	15%	3	2	3	2	1	1	1	2	2	2	2	2	2	2	2
Pinkwell Primary School	UB3 1PG	580	Apr-2014 Spons.	80%	25%	4	0	1	187	3	Y	3	47%	60%	-£11	9%	8%	3	1	4	3	2	3	2	2	2	2	2	2	2	2	2
Ramnoth Junior School	PE13 2JB	279	Nov-2013 Spons.	49%	40%	5	0	1	68	4	Y	4	44%	45%	£144	15%	15%	3	2	2	3	3	2	2	2	2	2	2	2	2	2	2
Ramsey Junior School	PE26 1JA	223	Apr-2017 Conv.	12%	40%	3	0	0	34	2	Y	2	73%	45%	£99	12%	9%	2	1	2	2	1	1	3	2	2	2	2	2	2	2	2
Ramsey Spinning	PE26 1AD	203	Apr-2017 Spons.	9%	25%	3	0	0	Junior	2	Y	2			£71	30%	26%	2	1	2	2	1	1	3	2	2	2	2	2	2	2	2
Shireland Hall Primary Academy	B66 4PW	665	Jul-2013 Conv.	64%	31%	5	0	1	193	2	Y	1	55%	65%	£437	12%	12%	3	2	2	2	1	1	2	2	2	2	2	2	2	2	2
The Hyde School	NW9 7EY	456	Sep-2013 Spons.	75%	20%	3	0	0	33	4	Y	1	87%	65%	£162	12%	12%	2	1	3	2	2	1	1	2	2	2	2	2	2	2	2
The Shirestone Academy	B33 0DH	233	Nov-2012 Spons.	12%	49%	5	0	0	61	2	Y	1	73%	73%	£133	3%	3%	2	2	3	2	1	2	2	4	2	2	2	2	2	2	2
Tiverton Academy	B29 6BW	203	May-2013 Spons.	39%	46%	4	0	0	152	2	Y	1	65%	65%	£140	6%	3%	2	2	2	2	2	1	2	3	2	2	2	2	2	2	2
Westwood Primary School	PE15 8JT	788	Oct-2018 Conv.	7%	31%	2	0	2	255	3	N		60%	45%	£187	12%	13%	3	1	2	2	2	2	3	2	2	2	2	2	2	2	2
Woods Bank Academy	WS10 8NQ	383	Feb-2013 Conv.	14%	59%	5	0	0	207	3	Y	2	61%	61%	£168	8%	6%	3	2	2	3	3	2	3	2	2	2	2	2	2	2	2
Total		11176		42%	35%	4				3	2		61%	58%	£6,013	14%	14%	2.6	1.8	2.2	2.3	1.7	1.8	2.3	2.1							
West Mids		3679							1448	3	2		66%	64%	£1,940																	
London		3552							430	3	2		65%	63%	£2,088																	
East Anglia		3538							672	3	2		52%	46%	£1,931																	

The above table is coloured using a 'traffic light' (or RAG) system, whereby the green areas reflect the highest Ofsted rating, lowest levels of deprivation, or surpassing national averages in outcomes. The impact of the Covid pandemic is clearly visible in the higher prevalence of amber, red and black on the right hand side when compared with previous years.

Nurture programmes

The Trust was concerned about the impact of 'holiday hunger' and a lack of appropriate nurture programmes for pupils even before Covid-19. The pandemic provided the impetus to take these ideas forward and resulted in a partnership with Rackets Cubed to pilot a community box scheme in seven of our schools, across all three regions. Funding was secured from a private donation to support a 15 week trial period, which led to a box of food, hygiene products and educational materials

being delivered to up to 527 vulnerable families a week. The cost of the scheme averaged £4 per box for goods valued at around £30. The intention is to roll out the scheme to all of the Trust schools in 2020/21.

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 is equally proud of the stakeholder feedback (outlined above), which has remained consistently above 80% positive across all measures throughout the year.

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 performance indicators

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

Key performance indicator	Target 2020	Actual (Oct '20)
Number of pupils	~ 12,500	11,176
Average pupils per school	>=400	414
Percentage of schools graded 'Good' or better within 3 years of joining the Trust	>=85%	75%
Percentage of children attaining ARE at KS2	>=65%	No exams this year
Positive stakeholder engagement feedback:		
Trust Principals	>80%	95%
Trust staff	>80%	91%
Parents	>80%	81%
Children	>80%	Not yet measured
Net Reserves (excluding Inherited Assets/Liabilities and Capital Commitments) % of GAG income	Greater than or equal to 5%	13.6%

The pupil number target was missed due to Covid delaying conversion projects in year. Likewise the Trust was on target to achieve its attainment and Ofsted targets before the impact of lockdown.

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

Macro-economic factors such as Covid-19 and Brexit plus key changes in the government have impacted on growth. Nevertheless, the revenue reserves for open academies remain stable. Tight budgetary control by the TEFAT finance team coupled with a drive to create more efficient purchasing throughout the Trust should help maintain reserves at target levels (a minimum of 5% of recurrent income) despite real term funding cuts.

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. Core funding for 2020/21 for most schools in the trust increased by 1.84% which is the government's definition of inflation. A minority of schools in the Trust, mostly in East Anglia and

Hillingdon (in London) did see slightly higher percentage increases. This was eroded by the fact that nationally agreed increases for staff were above this inflation rate. In 2021/22 the funding increases that will be seen by the Trust's schools are likely to remain below the nationally agreed levels of pay inflation.

While uncertainties clearly exist, not least of which the impact of Covid on the education system, the Trustees have a reasonable expectation that TEFAT has adequate resources to continue operational existence for the foreseeable future. This is based on the Trust's levels of free reserves and action to address individual school's deficits. 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.

Despite the turbulence caused by Covid, the impact on the Trust's finances in 2019-20 was not significant. Initial budgets for 2020-21 were set on the basis of re-opening schools in September 2020 with whilst acknowledging some additional irrecoverable costs may well be incurred. It has proven hard to accurately forecast the impact going forward due to frequent and short notice changes in government policy impacting schools, as they struggle to contain the pandemic. That said the Trustees are content that despite additional costs for safer school opening, plus improving IT to support remote learning, the impact on the Trust's finances are manageable and have no impact on going concern.

S172 Report

The trust engages with stakeholders across the spectrum, from regular discussions with Regional Schools Commissioners and DfE staff through to parents and carers. Each year the trust produces an Annual Report which is distributed electronically to all parents and carers which sets out the trust's success as well as the ongoing challenges being faced. Other aspects under this area are addressed in other sections of this report. Engagement with suppliers, stakeholders and others in a business relationship with the trust has been addressed on page 11.

Covid-19

The year was dominated by the impact of the Coronavirus, in the context of which Trustees are proud of the organisation's performance. Following lockdown which closed all schools in March the government invited schools to reopen for the children of key workers and the most vulnerable.

All TEFAT schools remained open up to the end of the academic year having dynamically reinvented themselves to prioritise the safety and wellbeing of children and staff during a pandemic. Schools were able to offer places to 29.6% of children on roll compared to a national average of 21% in June and July.

The Trust launched its virtual school offering the week before lockdown in March and has now appointed a Head of Curriculum and Virtual Learning whose role is to improve the quality of education provided to all of our pupils whether on site or learning from home.

Initial surveys suggested that fewer than 4% of households had no or unreliable access to the internet, although we suspect this underreporting. Schools have loaned Chromebooks to those families most in need and at the time of writing a further 1,000 devices had been obtained from the government scheme to support vulnerable children in addition to the Trust's existing stock of just over 2,000. The Trust also joined the DfE pilot schemes to access BT WiFi hotspots and increase mobile data allowances for those families that did not have reliable home WiFi.

The Trust received £197,105 in grants relating to staff on furlough plus additional Covid-19 costs (mostly in relation to providing free school meals during lockdown). The coronavirus job retention scheme was only used in a small number of cases (29 staff) in relation to jobs directly tied to income generating activities that had ceased entirely. All staff on furlough received 100% of their normal salary. These grants did not entirely cover the additional costs involved in operating schools in as safe a way as possible during the national lockdown, nor the amounts of self generated income lost. However the reductions in spending on areas such as agency staff and education consumables ensured that financial balance could be maintained. These costs have returned in 2020/21 alongside higher levels of spend on cleaning, plus other aspects of health and safety, putting additional pressure on stretched budgets. The government has stated that additional funding will not be provided for these costs, so they will have to be funded from reserves. The Trustees however are content that we can fund from reserves these additional but necessary costs, required to mitigate the risk of infection to our pupils and staff, without impacting on the going concern of the Trust.

The coming year will present as great a challenge again for all schools. Post year end saw a term with surprisingly high attendance, albeit with staff and pupils working in 'bubbles' to minimise risk. A third lockdown has resulted in a reversion to remote teaching for all bar children of key workers and vulnerable families.

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, totalling £3.77m (2018-19: £9.03m) income for the year rose by £1.8m to £64.5m (2019 - £64.6m). This comprised £63.7m revenue funding (2018-19: £61.8m) and £1.8m capital funding (2018-19: £1.9m). TEFAT receives a central allocation of capital funding for maintenance and development of all the estates which amounted to £1.4m in 2019-20 (£1.1m in 2018-19).

All the academy land and 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.

During the financial year a prior period adjustment was recognised, adjusting the brought forward accumulated depreciation of leasehold land and buildings. Further explanation and quantification of the adjustment has been included in note 29 to the financial statements.

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

Total expenditure in the year was £66.1m (2018-19: £65.7m), funded from income (including donated assets from local authorities) of £71.2m (2018-19: £73.7m). The balance of income over expenditure was £5.0m, including donated buildings from local authorities.

TEFAT continues to operate a lean model of central services. The management services charge to schools was £2.78m in 2019-20 (£2.74m in 2018-19). TEFAT Central Services had a cumulative surplus of £549k at the end of 2019-20. 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 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 £7.8m (2018-19: £9.4m), whilst net current assets decreased from £7.8m to £7.5m.

Net pension liabilities increased by £13.8m to £54.3m. 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 proposes 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 £32.7m. Of this, £79.4m was in respect of the Fixed Assets Reserve (reserve set aside for future depreciation of the company's assets), a deficit of £54.3m in respect of future potential pension liabilities and restricted capital funds of £457k 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 £7.1m (2018-19: £7m) of which £2.8m was unrestricted (2018-19: £2.8m) and £4.3m restricted (2018-19: £4.2m). Current reserves are at 13.6% of GAG income (2018/19 – 13.5%) 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 three of our academies had deficits on their overall revenue reserves, up from two the year before:

Parkfield Primary School – This academy has a cumulative deficit of £205k (2018-19: £102k), caused in large part by a recovery of an overpayment for nursery provision by the local authority. 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.

Eyrescroft Primary School - This school is in a federation with Highlees Primary School. The combined position is a surplus, so the Eyrescroft position is not considered a concern.

John Locke Academy - This academy has a cumulative deficit of £121k (2018-19: £1k surplus), caused by necessary investment in setting up for year 6 in this brand new school. 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. The new build school is now over subscribed with all year groups in place, which should make financial balance easier.

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

TEFAT is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given TEFAT's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. TEFAT's system of internal controls ensures risk is minimal in these areas. The deficit within the LGPS represents a further exposure although this does not present TEFAT with a current liquidity risk however contributions rates are periodically adjusted to address deficit within the Scheme.

The Board of TEFAT has established comprehensive risk assessment and management arrangements. These are summarised in the TEFAT Risk Management Statement 2020. 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:

- **Covid-19:** Staff or pupil death leads to corporate manslaughter case
- **Covid-19:** Measures taken to mitigate the spread of the pandemic greatly increase the gap for disadvantaged children
- **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 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.

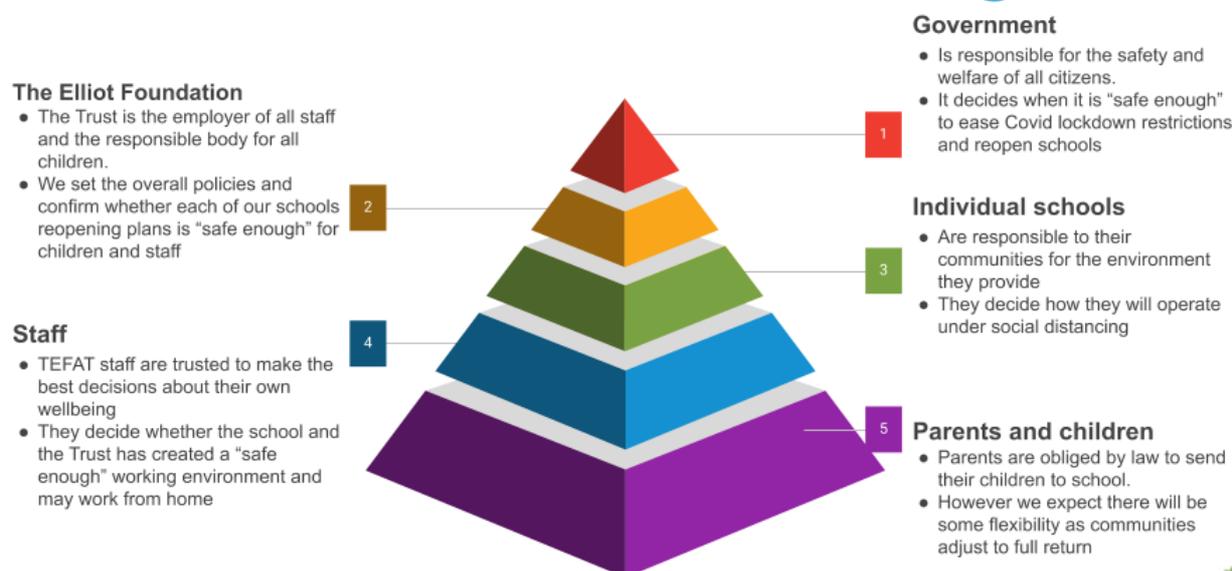
As at the date of signing the Trust is still waiting to hear regarding the transfer out of the site that used to house Lena Gardens Primary School, and how the closure has impacted the school's pension deficit.

Covid statement

As the employer for its staff and as the responsible body for the safety and welfare of the children in its care, TEFAT is clearly accountable for its actions during the pandemic and may not rely on any subsequent defence of, 'following government guidance'. Notwithstanding that much of this guidance issued by the government and its agencies this year has been frequently incoherent and internally contradictory.

Trust has followed a hierarchy of decision making outlined below.

All involved in decision making



By giving stakeholders a sense of agency in the decisions that affect them, the Trust is proud to have carried its staff and parents with it during the pandemic. As mentioned above over 90% of staff believe that the Trust has looked after their physical health and safety and mental wellbeing, whilst more over 80% of parents feel the Trust has protected the mental and physical wellbeing of their children.

Fundraising

The Trust has not undertaken any direct fundraising from individuals in the year, either directly or via an agency.

Streamlined Energy and Carbon Reporting

**UK Greenhouse gas emissions and energy use data 2019/20
for the period 1 September 2019 to 31 August 2020**

Energy consumption used to calculate emissions (kWh) 9,898,273

Energy consumption breakdown (kWh):

• gas	7,201,150
• electricity	2,631,051
• transport fuel	66,072

Scope 1 emissions in metric tonnes CO₂e

Gas consumption	1,324.08
Owned transport – mini-buses	0.56
Total Scope 1	1,324.64

Scope 2 emissions in metric tonnes CO₂e

Purchased electricity	613.40
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Scope 3 emissions in metric tonnes CO₂e

Business travel in employee owned vehicles	15.36
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Total gross emissions in metric tonnes CO ₂ e	1,953.40
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Intensity ratio Tonnes CO ₂ e per pupil	0.17
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Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

Energy usage was reduced due to closure of schools from March 2020 due to Covid-19. More staff have been working at home, which has reduced mileage costs as more remote meetings have taken place. As an organisation we will look to continue to reduce mileage in this way by holding meetings virtually where appropriate. Further initiatives to reduce energy usage will be introduced in future years.

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 28 academies currently open with discussions ongoing regarding further additions.

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' the Trust is delighted that 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 2019-20, the TEFAT strategic maintenance plan was continued which forms the basis of the TEFAT capital programme to maintain the fabric of buildings.

A key focus through 2020/21 and beyond will be addressing the impact of Covid-19 on the learning and development of current and future pupils. The Trust is taking a strategic approach to this need and has developed a joined up plan to use the £80 per pupil catch up premium (c£837,000 across the Trust) to have a lasting impact for all pupils in all schools, rather than just a succession of short term interventions, whose impact may be more fleeting. The programme is being led by the newly appointed Head of Curriculum and Virtual Learning and will include:

- development of a high quality virtual school,
- tutoring,
- increased capacity,
- teacher development,
- SEND provision
- plus further curriculum developments.

Funds held as custodian Trustee on behalf of others

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

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 on 27th January 2021 and signed on its behalf by:

Dr. Caroline Whalley CBE
Chair

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.

As trustees, we have reviewed and taken account of the guidance in DfE's [Governance Handbook](#) and [competency framework for governance](#).

The Board of Trustees has delegated the day-to-day responsibility to the 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 5 times during the year. A sixth meeting was due on the 27th March 2020 but was cancelled due to lockdown. Reports were instead submitted to Trustees for comment by email. As with the day to day running of the Trust, effective oversight by Trustees has been adapted under remote working to ensure effective oversight is maintained. 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	4/5
David Gallie, Finance expert	0/5
Sue Nath, Education Child Psychologist	4/5
Hugh Greenway, CEO TEFAT, ex officio	5/5
Damon Parker, Legal Expert	2/5
Andrew Harper, Education and LA engagement	3/5
Jonathan Ford, Finance expert	2/5
Gillian Benge, Operations expert	3/5
Robert Anderson, HR expert	3/5
Dr Tim Coulson, Education expert	4/5
David Libbert, Media and CPD expert (appointed 18th October 2019)	5/5

Lucy Ireland, IT and Operations expert (appointed 14th February 2020)	3/3
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Throughout the year the Trustees have continued their oversight of the Trust through regular meetings and by reviewing the management information supplied by the Executive. The data is routinely challenged and the Trustees have satisfied themselves that all such management information is accurate and timely, and that they are sufficiently informed about Trust, sector and national developments to make suitable decisions to support the current and future direction of the Trust.

The approach to governance taken during the year was altered to reflect the national lockdown with more responsibility taken centrally rather than at local governing body level due to the rapidly evolving situation needing a more dynamic and joined up response. This will be reviewed at the end of the pandemic. The Trustees were content with their altered approach to governance this year, but the pandemic meant that there was no formal review of their governance during this year. This will be revisited when conditions change. The normal approach of continuous internal scrutiny and reflection continued throughout.

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 challenges the Finance Director on any areas of concern. The TEFAT Finance Committee met 2 times during the year. One further meeting was cancelled due to Covid-19 and was replaced by the submission of reports to committee members, plus discussion by email. Attendance during the year at TEFAT finance committee meetings was as follows:

	Attendance
David Gallie (Chair)	1/2
Susan Nath	0/2
Hugh Greenway	2/2
Andrew Harper	2/2
Lucy Ireland	1/1

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 2 times during the year. One further meeting was cancelled due to Covid-19 and was replaced by the submission of reports to committee members, plus discussion by email. Attendance during the year at TEFAT Audit Committee meetings was as follows:

	Attendance
Jonathan Ford (Chair)	2/2
Damon Parker	0/2
Robert Anderson	2/2
Gillian Bengé	0/2

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	1/1

A number of Trustees had limited attendance at meetings during the year. It is clear that the pandemic has put significant additional pressure on a number of Trustees in their day jobs which made attendance at Trustee meetings much harder. Trustees have however remained engaged and contributed to the oversight and direction of the Trust outside of formal meetings.

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 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 there were no SATs assessments this 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 photocopying and ICT hardware.
- IV. Reviewing operational 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. Weekly review of school level Covid risk by the operations group
 - b. Monthly review of trust wide risk by the operations group captured in the Trust Risk Register which is owned by the CEO
 - c. Annual review of Academy Principals' opinion of the services provided by the Trust.
 - d. Consultation on all 'Trust wide' procurement exercises with all Academy Principals.
 - e. Comprehensive Internal Audit Programme developed with our external partners Academy Advisory.
- VI. TEFAT welcomed the guidance in PPN 02/20 and 04/20 during the national lockdown. The trust worked to ensure that key suppliers at risk received appropriate funding to cover their costs in relation to our contracts. The trust also maintained payments to long term supply staff.

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

² Under levels Trust schools increased from 67% to 79% from 2013 to 2015. Under ARE Trust schools have increased from 45% to 61% from 2016 to 2019

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

economically. The system of internal control has been in place in TEFAT for the period ended 31st August 2020 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 2020 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 external 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 due to be completed in the summer term 2019-20, but was impacted by Covid-19, the partial closure of schools and most finance staff suddenly having to work from home. Therefore, not all audits were completed before year end. We have seen draft reports for most academies and the trend towards reductions in findings has continued. The only high priority findings related to five schools whose financial positions declined in the year, as shown in Note 16, which is being addressed, plus one school over the non-timely closure of a historic bank account, which will be closed this year. Overall though the reports showed that despite the changes in working imposed by Covid-19, the financial control framework remained robust.

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. Testing concentrated on all aspects of financial systems and controls across our schools, building on and revisiting the prior year's work. This will be expanded in 2020-21 to cover agreed other areas such as safeguarding and the accurate reporting of pupil numbers. At Trust level reviews were undertaken of policies and controls.

Specific areas covered at school and head office level included:

- Review of purchase orders
- Review of leases/contracts
- Review of income, expenditure and capital transactions
- Review of new starters put onto payroll
- Review of expense claims and business card transactions
- Review of any ex-gratia payments
- Review of journals

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 annual staff survey and feedback from parents during Covid
- 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 27th January 2021 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 2019.

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

Hugh Greenway
Accounting Officer
27th January 2021

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 2019 and the Academies Accounts Direction 2019-2020
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 27th January 2021 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 31st August 2020 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 2019 to 20 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies: Accounts Direction 2019 to 20 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 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, which includes the Directors' Report and the 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 Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 32, 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, 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.

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

The Elliot Foundation Academies Trust

Statement of Financial Activities (Including Income and Expenditure Account)

For the year ended 31 August 2020

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Year ended 31 August 2020 £'000	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Restricted Fixed Asset Funds 31 August 2019 £'000	Year ended 31 August 2019 £'000
Income From:										
Donations & Capital Grants	2	-	209	1,812	2,021	-	250	2,916	3,166	
Transferred upon conversion	26	113	(2,018)	5,675	3,770	156	(843)	9,718	9,031	
Charitable Activities										
Funding for the Academy Trust's educational operations	5	-	61,667	-	61,667	-	59,230	-	59,230	
Teaching School		-	105	-	105	-	50	-	50	
Other trading activities	3	1,590	-	-	1,590	2,186	-	-	2,186	
Investments	4	6	-	-	6	6	-	-	6	
Total Income		1,709	59,963	7,487	69,159	2,348	58,687	12,634	73,669	
Expenditure on:										
Raising Funds		1,694	1,341	-	3,035	2,310	1,224	-	3,634	
Charitable activities										
Academy trust's educational operations	7	-	63,834	3,013	66,847	-	60,224	2,435	62,659	
Teaching School		-	97	-	97	-	50	-	50	
Total Expenditure	6	1,694	65,272	3,013	69,979	2,310	61,498	2,435	66,243	
Net (expenditure) / income		15	(5,309)	4,474	(820)	38	(2,811)	10,199	7,426	
Gross transfers between funds	16	-	(484)	484	-	-	-	-	-	
Other recognised gains and losses										
Remeasurement of defined benefit pension schemes	16,24	-	(7,926)	-	(7,926)	-	(8,756)	-	(8,756)	
Net movement in funds		15	(13,719)	4,958	(8,746)	38	(11,567)	10,199	(1,330)	
Reconciliation of funds										
Total funds brought forward	16	2,786	(36,296)	74,924	41,414	2,748	(24,729)	64,725	42,744	
Total funds carried forward		2,801	(50,015)	79,882	32,668	2,786	(36,296)	74,924	41,414	

Balance Sheet

As at 31 August 2020

Company no. 08116706

	Notes	2020 £'000	2020 £'000	2019 £'000 (as restated)	2019 £'000 (as restated)
Fixed assets					
Intangible Fixed Assets	12		-		-
Tangible Assets	13		79,425		74,168
Current assets					
Debtors	14	2,572		2,308	
Cash at bank and in hand		7,829		9,449	
		<u>10,401</u>		<u>11,757</u>	
Current Liabilities					
Creditors: Amounts falling due within one year	15	<u>(2,876)</u>		<u>(4,003)</u>	
Net current assets			<u>7,525</u>		<u>7,754</u>
Total assets less current liabilities					
			<u>86,950</u>		<u>81,922</u>
Defined Benefit Pension scheme liability	24		(54,282)		(40,508)
Total net assets			<u>32,668</u>		<u>41,414</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16		79,882		74,924
Restricted income fund	16		4,267		4,212
Pension reserve	16		(54,282)		(40,508)
Total restricted funds			<u>29,867</u>		<u>38,628</u>
Unrestricted income funds	16		2,801		2,786
Total funds			<u>32,668</u>		<u>41,414</u>

The financial statements on pages 39 to 67 were approved by the Trustees and authorised for issue on 27 January 2021 and signed on their behalf by:

Signature:

Dr. Caroline Whalley CBE
Chair

Statement of Cash Flows

For the year ended 31 August 2020

	Notes	Year ended 31 August 2020 £'000	Year ended 31 August 2019 £'000
Net cash flow (used in)/provided by operating activities	20	(777)	92
Investing activities			
Interest received		6	6
Purchase of tangible fixed assets		(2,595)	(3,057)
Purchase of intangible assets		-	-
Capital grants from DfE/ESFA		1,632	1,856
Gifted assets (note 26)		-	896
Cash transferred in on conversion (note 26)		113	156
Cash flows from investing activities		<u>(844)</u>	<u>(143)</u>
		<u>(1,620)</u>	<u>(51)</u>
Change in cash and cash equivalents in the reporting period	23	<u><u>(1,620)</u></u>	<u><u>(51)</u></u>
Cash and cash equivalents at 1 September		9,449	9,500
Cash and cash equivalents at 31 August		<u><u>7,829</u></u>	<u><u>9,449</u></u>

Notes to the financial statements

1 Statement of accounting policies

The Elliot Foundation Academies Trust (“TEFAT”) is a Charitable Company (the ‘Academy Trust’). The address of the Trust’s principal place of business is given on page 4. The nature of the Academy Trust’s operations is set out in the Trustees’ Report.

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.

The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in dealing with items which are considered material in relation to the financial statements, to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

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. See page 15 for more discussion about the impact of Covid-19 on going concern considerations.

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.

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 and liabilities 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. Where the consideration for such transfers are £nil the substance of the transfer is that of a gift and has been accounted for on that basis.

Transfer of existing academies into the trust

Where assets are received on the transfer of an existing academy into the trust, the transferred assets and liabilities 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. Where the consideration for such transfers are £nil the substance of the transfer is that of a gift and has been accounted for on that basis.

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 over its expected useful life, as follows:

Leasehold buildings	1% - 12.5% (straight line) over the deemed useful life
Leasehold land	0.8% (straight line) over the life of the lease
Computer equipment	33% (reducing balance)
Furniture and Equipment	25% (reducing balance)

For leasehold land and buildings the policy was changed this year to move from reducing balance to straight line depreciation. This resulted in a prior period adjustment. See Note 29 for more details.

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.

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 TEFAT 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 support costs.

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

Taxation

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 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.

Short-term Employment Benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

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. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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.

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Elliot Foundation Academies Trust
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2 Donations & Capital Grants

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2020 £'000	Total 2019 £'000
ESFA capital grants	-	-	1,632	1,632	1,856
Surplus transferred upon conversion	113	(2,018)	5,675	3,770	9,031
Donated fixed assets	-	-	-	-	896
Other donations	-	209	180	389	414
	<u>113</u>	<u>(1,809)</u>	<u>7,487</u>	<u>5,791</u>	<u>12,197</u>

3 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	217	-	217	230
Catering	381	-	381	586
Breakfast and after school club	228	-	228	330
Uniform	37	-	37	52
Sales of goods and services	5	-	5	8
Consultancy services	145	-	145	139
Other Income	577	-	577	841
	<u>1,590</u>	<u>-</u>	<u>1,590</u>	<u>2,186</u>

4 Investments

	Funds £'000	Funds £'000	2020 £'000	2019 £'000
Short term deposit interest	6	-	6	6
	<u>6</u>	<u>-</u>	<u>6</u>	<u>6</u>

5 Funding for the Academy Trust's educational operations

	Funds £'000	Funds £'000	2020 £'000	2019 £'000
DfE/ESFA grant				
General Annual Grant (GAG)	-	52,103	52,103	51,683
Start Up Grants	-	-	-	50
Other DfE group grants	-	3,655	3,655	3,454
Teaching School Grants	-	40	40	50
	<u>-</u>	<u>55,798</u>	<u>55,798</u>	<u>55,237</u>
Other Government grants				
Local Authority / Other	-	5,777	5,777	4,043
Other Income	-	-	-	-
Exceptional government funding				
Coronavirus Job Retention Scheme Grant	-	77	77	-
Coronavirus exceptional support	-	120	120	-
Other Coronavirus funding	-	-	-	-
	<u>-</u>	<u>61,772</u>	<u>61,772</u>	<u>59,280</u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers additional free school meals and some additional cleaning and opening costs. These costs are included in note 7 as appropriate.

- The trust furloughed some of its nursery and catering staff under the government's CJRS. The funding received of £77k relates to staff costs in respect of 29 staff which are included within note 8 below as appropriate.

The Elliot Foundation Academies Trust
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For the year ended 31 August 2020

6 Expenditure

	Staff Costs	Non Pay Expenditure		Total 2020	Total 2019
	£'000	Premises £'000	Other Costs £'000	£'000	(as restated) £'000
Expenditure on Raising Funds	723	-	2,312	3,035	3,534
Academy Trust's educational operations					
Direct costs (note 7)	47,954	-	2,431	50,385	46,844
Allocated support costs (note 7)	7,410	5,687	3,365	16,462	15,274
Teaching School	42	-	55	97	50
	<u>56,129</u>	<u>5,687</u>	<u>8,163</u>	<u>69,979</u>	<u>65,702</u>

Net income/(expenditure) for the period includes:

	Total 2020	Total 2019
	£'000	£'000
		(as restated)
Amortisation	-	2
Depreciation	3,013	2,435
Operating lease rentals	145	166
Fees payable to RSM UK Audit LLP and its associates for		
- current year audit	75	87
- other services	20	18

7 Charitable Activities

	2020	2019
	£'000	£'000
		(as restated)
Direct costs		
Teaching and educational support staff costs	47,954	43,903
Technology costs	446	590
Educational supplies	1,394	1,645
Staff development	338	475
Educational consultancy	308	231
	<u>50,440</u>	<u>46,844</u>
Allocated support costs		
Support staff costs	7,410	7,123
Depreciation	3,013	2,435
Amortisation	-	2
Technology costs	528	519
Recruitment and support	88	143
Maintenance of premises and equipment	851	838
Cleaning	697	692
Rent & Rates	272	301
Energy costs	854	841
Insurance	237	323
Security and transport	206	138
Catering	18	23
Legal fees	107	104
Other professional fees	876	917
Bank interest and charges	2	2
Other finance cost - pension finance cost	760	788
Other support costs	409	500
Governance costs	134	128
	<u>16,462</u>	<u>15,817</u>

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2020

8 Staff

a. Staff costs

	Total 2020 £'000	Total 2019 £'000
Staff costs during the year were:		
Wages and salaries	38,864	37,016
Social security costs	3,655	3,427
Pension costs	11,448	8,644
	53,967	49,087
Supply Staff costs	2,013	2,427
Staff restructuring costs	149	288
	56,129	51,802

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £29,223 (2019: £24,225) and were for £14,317, £12,495 and £2,411.

c. Staff numbers

The average number of persons (including senior management team) employed by the Trust during the year expressed

	2020 No.	2019 No.	2020 FTE	2019 FTE
Charitable Activities				
Teachers	537	538	492	490
Administration and support	1,141	1,159	696	701
Management	40	35	39	35
	1,718	1,732	1,227	1,226

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

	2020 No.	2019 No.
£60,001 - £70,000	14	13
£70,001 - £80,000	3	8
£80,001 - £90,000	4	3
£90,001 - £100,000	8	9
£100,001 - £110,000	6	3
£110,001 - £120,000	2	3
£120,001 - £130,000	2	1
£200,000 - £210,000	1	1
	40	41

30 of the above employees participated in the Teachers' Pension Scheme (2019: 32). During the year ended 31 August 2020, pension contributions for these staff amounted to £575,272 (2019: £402,401). 8 (2019: 7) employees participated in the Local Government Pension Scheme, pension contributions amounted to £112,797 (2019: £89,934). None of the above employees participated in a defined contribution scheme (2019: 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 £1,318,958 (2019: £1,238,969).

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2020

9 Central Services

The management charge is 6% of General Annual Grant income (2019: 6%) which for 2019-20 amounts to £2,777,945 (2019: £2,742,455).

<i>Management Charge Per School</i>	Total 2020 £'s	Total 2019 £'s
Billesley Primary School	170,962	167,386
Cavalry Primary School	95,070	93,834
Chandos Primary School	115,188	113,569
Childs Hill Primary School	61,599	-
Claremont Primary School	94,938	105,863
Croft Academy	63,714	64,732
Elm Road Primary School	59,732	59,563
Eyrescroft Primary School	89,475	93,544
George Betts Primary School	111,710	113,580
Griffin Primary School	98,403	105,125
Greenside Primary School	60,438	60,222
Highlees Primary School	106,574	101,780
Hillingdon Primary School	161,931	156,136
John Locke Academy	110,900	94,329
Kings Rise Academy	122,113	116,549
Lena Gardens Academy	-	47,130
Millfield Primary School	64,191	63,518
Nene Infants	67,738	60,895
Parkfield Primary School	103,359	106,077
Pinkwell Primary School	178,431	206,978
Ramsey Juniors	54,454	52,523
Ramsey Infants	41,989	43,473
Ramnoth Primary School	66,437	63,845
Shireland Hall Academy	169,458	171,664
Shirestone Academy	73,722	64,375
The Hyde Primary School	118,400	117,873
Tiverton Primary School	59,723	61,203
Westwood Primary School	162,513	140,181
Woods Bank Primary Academy	94,785	96,500
	<u>2,777,945</u>	<u>2,742,445</u>

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 £204,623 in 2019-20 (2019: £202,805). In addition employers pension contributions paid were £23,690 (2019: £21,250).

One trustee was reimbursed expenses for their role as a trustee. The total amount paid was £60 relating to travel expenses (2019: £190 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 2020

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 2019-20 was £195,319 (2019: £218,356).

12 Intangible Fixed Assets

	Computer Software £'000	Total 2020 £'000	Total 2019 £'000
Cost			
At 1 September 2019	16	16	79
Additions	-	-	-
Disposals	-	-	(63)
At 31 August 2020	16	16	16
Amortisation			
At 1 September 2019	16	16	77
Charged in year	-	-	2
Disposals	-	-	(63)
At 31 August 2020	16	16	16
Net book values			
At 31 August 2020	-	-	-
At 31 August 2019	-	-	-

13 Tangible Fixed Assets

	Leasehold Land and Buildings £'000	Furniture and Equipment £'000	Computer Equipment £'000	Assets Under Construction £'000	Total 2020 £'000
Cost					
At 1 September 2019	83,194	755	1,372	69	85,390
Additions	1,123	766	586	120	2,595
Transfers in	5,675	-	-	-	5,675
Disposals	-	(4)	(5)	-	(9)
Transfers	69	-	-	(69)	-
At 31 August 2020	90,061	1,517	1,953	120	93,651
Depreciation					
2019 (as restated)	9,957	380	885	-	11,222
Charged in year	2,440	283	290	-	3,013
Disposals	-	(4)	(5)	-	(9)
At 31 August 2020	12,397	659	1,171	-	14,226
Net book values					
At 31 August 2020	77,663	858	782	120	79,425
(as restated)	73,237	375	487	69	74,168

14 Debtors

	2020 £'000	2019 £'000
Trade debtors	271	485
Prepayments	458	528
VAT recoverable	220	395
Accrued income	1,586	889
Other debtors	37	11
	2,572	2,308

The Elliot Foundation Academies Trust
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15 Creditors: Amounts Falling due within one Year

	Total 2020 £'000	Total 2019 £'000
Trade creditors	1,336	1,675
Other creditors	8	564
Accruals and deferred income	1,532	1,764
	<u>2,876</u>	<u>4,003</u>

Deferred income

	Total 2020 £'000	Total 2019 £'000
Deferred income at 1 September	1,020	990
Resources deferred in year	889	1,020
Amounts released from previous years	(1,020)	(990)
Deferred income at 31 August	<u>889</u>	<u>1,020</u>

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 2019 (as restated) £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses and Transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	3,946	52,103	(51,644)	(491)	3,914
Pension reserve	(40,508)	(2,018)	(3,830)	(7,926)	(54,282)
Start Up Grant	141	-	(40)	(38)	63
Other ESFA/Local Authority grants	121	9,669	(9,584)	45	251
Voluntary Income	4	209	(174)	-	39
	<u>(36,296)</u>	<u>59,963</u>	<u>(65,272)</u>	<u>(8,410)</u>	<u>(50,015)</u>
Restricted fixed asset funds					
DfE/ESFA/LA capital grants	759	1,812	-	(2,114)	457
Fixed assets purchased from capital grant	14,334	-	(792)	(8,547)	4,995
Inherited fixed assets	59,831	5,675	(2,221)	11,145	74,430
	<u>74,924</u>	<u>7,487</u>	<u>(3,013)</u>	<u>484</u>	<u>79,882</u>
Total restricted funds	<u>38,628</u>	<u>67,450</u>	<u>(68,285)</u>	<u>(7,926)</u>	<u>29,867</u>
Unrestricted funds					
Unrestricted funds	2,786	1,709	(1,694)	-	2,801
Total unrestricted funds	<u>2,786</u>	<u>1,709</u>	<u>(1,694)</u>	<u>-</u>	<u>2,801</u>
Total funds	<u>41,414</u>	<u>69,159</u>	<u>(69,979)</u>	<u>(7,926)</u>	<u>32,668</u>

The increase in transfers in restricted fixed asset funds is due to an exercise in year to correctly classify fixed assets between inherited fixed assets and those purchased from capital grant.

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 2020. 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.

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

	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
	<u>(24,729)</u>	<u>58,687</u>	<u>(61,498)</u>	<u>(8,756)</u>	<u>(36,296)</u>
Restricted fixed asset funds					
DfE/ESFA/LA capital grants	899	2,916	-	(3,056)	759
Fixed assets purchased from capital grant	11,719	-	(441)	3,056	14,334
Inherited fixed assets	54,040	9,718	(3,927)	-	59,831
	<u>66,658</u>	<u>12,634</u>	<u>(4,368)</u>	<u>-</u>	<u>74,924</u>
Total restricted funds	<u>41,929</u>	<u>71,321</u>	<u>(65,866)</u>	<u>(8,756)</u>	<u>38,628</u>
Unrestricted funds					
Unrestricted funds	2,748	2,348	(2,310)	-	2,786
Total unrestricted funds	<u>2,748</u>	<u>2,348</u>	<u>(2,310)</u>	<u>-</u>	<u>2,786</u>
Total funds	<u>44,677</u>	<u>73,669</u>	<u>(68,176)</u>	<u>(8,756)</u>	<u>41,414</u>

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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 fixed assets purchased from capital grant fund represents the tangible assets purchased post conversion from all capital grants.

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

Fund balances were allocated as follows:	Balance at 31 August 2020 £'000	Balance at 31 August 2019 £'000 (as restated)
Billesley Primary School	139	95
Cavalry Primary School	188	244
Chandos Primary School	264	309
Childs Hill Primary School	29	0
Claremont Primary	497	471
Croft Academy	148	124
Elm Road Primary School	99	30
Eyrescroft Primary School	(17)	25
George Betts Primary Academy	5	111
Greenside Primary School	463	420
Griffin Primary School	1,272	1,229
Highlees Primary School	405	349
Hillingdon Primary Academy	179	222
John Locke Academy	(121)	1
Kings Rise Academy	481	200
Lena Gardens Primary School	-	9
Millfield Primary	310	261
Nene Infant and Nursery School	390	281
Parkfield Primary School	(205)	(102)
Pinkwell Primary School	268	628
Ramnoth Junior School	111	(57)
Ramsey Infants	71	52
Ramsey Juniors	96	90
Shireland Hall Primary Academy	396	603
The Elliot Foundation Academies Trust	549	268
The Hyde School	295	376
The Shirestone Academy	288	273
Tiverton Primary Academy	140	175
Westwood Primary School	158	114
Woods Bank Primary Academy	170	197
Total before fixed assets and pension reserve	7,068	6,998
Restricted fixed asset fund	79,882	74,924
Pension Reserve	(54,282)	(40,508)
	32,668	41,414

There are two stand alone academies with a cumulative deficit at year end. For both the deficits are considered manageable and are underwritten by the Trust. Both Parkfield Primary School and John Locke Academy have managed to set surplus budgets for 2020-21 so it is expected that the deficit at each school will reduce over time.

Although Eyrescroft Primary School is showing as being in deficit, it is in a federation with Highlees Primary School. The combined reserves remain in surplus. A plan is also in place to improve the combined financial position this year.

Lena Gardens is still included above as at year end, although the school closed the year before, the site remains on the Trust books until the DfE and local authority agree over the future use of the site.

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 2020	Year ended 31 August 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Billesley Primary School	2,834	506	61	426	3,827	3,651
Cavalry Primary School	1,764	130	55	246	2,195	2,175
Chandos Primary School	1,566	508	39	291	2,404	2,318
Childs Hill Primary School	1,281	139	31	132	1,583	-
Claremont Primary	1,587	139	81	366	2,173	1,998
Croft Academy	915	178	19	185	1,297	1,252
Elm Road Primary School	796	108	21	146	1,071	1,101
Eyrescroft Primary School	1,273	280	64	176	1,793	1,791
George Betts Primary Academy	1,812	254	52	248	2,366	2,279
Greenside Primary School	955	141	24	187	1,307	1,253
Giffin Primary School	1,286	163	67	284	1,800	1,995
Highlees Primary School	1,534	233	66	221	2,054	1,944
Hillingdon Primary Academy	2,633	369	80	561	3,643	3,463
John Locke Academy	1,915	201	85	385	2,586	2,164
Kings Rise Academy	1,628	457	62	263	2,410	2,299
Lena Gardens Primary School	0	0	2	14	16	1,177
Millfield Primary	971	150	32	227	1,380	1,327
Nene Infant and Nursery School	1,325	105	32	198	1,660	1,884
Parkfield Primary School	2,021	171	41	319	2,552	2,721
Pinkwell Primary School	2,906	511	85	691	4,193	4,145
Ramnoth Junior School	994	128	34	166	1,322	1,523
Ramsey Infants	686	46	35	132	899	838
Ramsey Juniors	870	96	36	144	1,146	1,053
Shireland Hall Primary Academy	2,893	370	62	464	3,789	3,513
The Elliot Foundation Academies Trust	179	1,748	18	720	2,665	2,767
The Hyde School	2,099	157	64	397	2,717	2,685
The Shirestone Academy	1,006	176	25	341	1,548	1,485
Tiverton Primary Academy	869	203	26	173	1,271	1,298
Westwood Primary School	2,593	380	74	316	3,363	2,819
Woods Bank Primary Academy	1,544	277	21	263	2,105	1,973
LGPS pension cost	3,070	-	-	760	3,830	2,907
	47,805	8,324	1,394	9,442	66,965	63,798

17 Analysis of Net Assets between Funds

Fund balances at 31 August 2020 are represented by:	Funds	General	Asset Funds	31 August
	£'000	£'000	£'000	£'000
Tangible Fixed Assets	-	-	79,425	79,425
Intangible Fixed Assets	-	-	-	-
Current assets	3,941	6,003	457	10,401
Current liabilities	(1,140)	(1,736)	-	(2,876)
Pension scheme liability	-	(54,282)	-	(54,282)
Total net assets	2,801	(50,015)	79,882	32,668

Fund balances at 31 August 2019 were represented by:	Funds	General	Asset Funds	31 August
	£'000	£'000	£'000	£'000
			(as restated)	(as restated)
Tangible Fixed Assets	-	-	74,168	74,168
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)	74,924	41,414

The Elliot Foundation Academies Trust
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18 Capital Commitments

	Total 2020 £'000	Total 2019 £'000
Contracted for, but not provided in the financial statements	<u>387</u>	<u>577</u>
	387	577

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 2020 £'000	Total 2019 £'000
Amounts due within one year	112	140
Amounts due between one and five years	<u>120</u>	<u>198</u>
	232	338

20 Reconciliation of Net Income to Net Cashflow from Operating Activities

	Total 2020 £'000	Total 2019 £'000 (as restated)
Net income for the reporting period	(820)	7,426
Amortisation (note 12)	-	2
Depreciation (note 13)	3,013	2,435
Capital grants from DfE and other capital income	(7,307)	(11,574)
Gifted assets	-	(896)
Cash transferred in on conversion (note 26)	(113)	(156)
Interest receivable (note 4)	(6)	(6)
Defined Benefit pension cost less contributions payable (note 24)	3,070	2,119
Defined Benefit Pension finance income (note 24)	760	788
Defined benefit pension scheme obligation inherited (note 26)	2,018	843
Decrease in debtors	(264)	34
(Decrease) / Increase in creditors	(1,127)	(921)
Net cash used in/(provided by) operating activities	(777)	94

21 Conversion to an Academy Trust

	Total 2020 £'000	Total 2019 £'000
Tangible fixed assets:		
Leasehold land and buildings	5,675	9,718
- School budget surplus	113	156
- LGPS pension deficit	(2,018)	(843)
Net assets/(liabilities)	3,770	9,032

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 2019	Cash flows	At 31 August 2020	At 31 August 2019
	£'000	£'000	£'000	£'000
Cash in hand and at bank	9,449	(1,620)	7,829	9,449
	<u>9,449</u>	<u>(1,620)</u>	7,829	<u>9,449</u>

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2020

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 2016 and of the LGPS 31 March 2019.

Contributions were payable to the schemes as follows at 31 August 2020 and are included within other creditors:

	Balance at 31 August 2020	Balance at 31 August 2019
	£	£
Teachers' Pension Scheme	-	700
Local Government Pension Scheme	-	-
	-	700

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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 by the Department for Education on 5 March 2019. The key elements 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% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2019/20).

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

The employer's pension costs paid to TPS in the year amounted to £4,702,000 (2019: £2,584,000).

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 2020

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 2020 was £4,640,000 (2019: £4,430,000), of which employer's contributions totalled £3,676,000 (2019: £3,492,000) and employees' contribution totalled £964,000 (2019: £938,000). 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	Cambridgeshire £'000	Islington £'000	Wandsworth £'000	Total £'000
2020								
Fair value of plan assets	12,109	4,321	1,460	4,758	9,356	1,190	538	33,732
Present value of funded defined benefit	(36,250)	(11,131)	(3,600)	(10,814)	(22,809)	(2,540)	(870)	(88,014)
Deficit in schemes	(24,141)	(6,810)	(2,140)	(6,056)	(13,453)	(1,350)	(332)	(54,282)
Amounts recognised in the Statement of Financial Activities								
Current service cost	1,990	959	99	968	2,202	440	67	6,725
Past service cost	6	-	-	-	-	-	-	6
Net interest cost	298	102	13	112	216	15	4	760
Administrative expenses	6	-	-	-	-	9	-	15
Total	2,300	1,061	112	1,080	2,418	464	71	7,506
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 benefit	(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

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2020

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

WEST MIDLANDS PENSION FUND

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2020 by a qualified independent actuary.

	2020	2019
Rate of increase in salaries	3.3%	3.7%
Rate of increase for pensions in payment/ inflation	2.3%	2.2%
Discount rate for scheme liabilities	1.6%	1.9%
Inflation rate (CPI)	2.3%	2.2%

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

	2020 Years	2019 Years
Retiring today:		
Males	21.9	20.9
Females	24.1	23.2
Retiring in 20 years:		
Males	23.8	22.6
Females	26.0	25.1

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	6,801	6,269
Government bonds	1,313	986
Other bonds	470	393
Property	914	852
Cash/liquidity	803	375
Other	1,808	1,547
FAIR VALUE OF ASSETS	<u>12,109</u>	<u>10,422</u>

The actual return on the scheme assets was £1,211,000 (2019: £730,000).

	2020 £'000	2019 £'000
Amounts recognised in the Statement of Financial Activities:		
Current service cost	1,990	1,666
Past service cost	6	309
Net interest cost	298	339
Loss on curtailment	-	(111)
Administrative expenses	6	-
Total operating charge	<u>2,300</u>	<u>2,203</u>

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2020

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

WEST MIDLANDS PENSION FUND (continued)

Changes in present value of defined benefit obligations

	2020 £'000	2019 £'000
At 1 September	26,980	21,719
Current Service Cost	1,990	1,666
Interest Cost	503	577
Actuarial losses	6,939	2,736
Contribution by members	303	294
Benefits paid	(471)	(191)
Past service cost	6	309
Gains on curtailments and settlements	-	(130)
At 31 August	36,250	26,980

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

	2020 £'000	2019 £'000
At 1 September	10,422	8,428
Interest income	205	238
Return on plan assets (excluding net interest on the defined pension liability)	258	351
Contributions by employer	1,398	1,321
Contributions by members	303	294
Benefits paid	(471)	(191)
Administrative expenses	(6)	-
Settlement prices paid	-	(19)
At 31 August	12,109	10,422

BARNET PENSION FUND

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2020 by a qualified independent actuary.

	2020	2019
Rate of increase in salaries	2.9%	2.6%
Rate of increase for pensions in payment/ inflation	2.2%	2.3%
Discount rate for scheme liabilities	1.7%	1.9%
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:

	2020 Years	2019 Years
Retiring today:		
Males	21.7	21.0
Females	24.0	23.3
Retiring in 20 years:		
Males	22.9	22.3
Females	25.7	25.1

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2020

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 2020 £'000	Fair value at 31 August 2019 £'000
Equities	2,419	1,732
Other bonds	1,334	990
Property	179	93
Cash/liquidity	389	278
TOTAL FAIR VALUE OF ASSETS	4,321	3,093

The actual return on the scheme assets was £(134,000) (2019: £99,000).

Amounts recognised in the Statement of Financial Activities:	2020 £'000	2019 £'000
Current service cost	959	555
Past service cost	-	24
Net interest cost	102	76
Total operating charge	1061	655

Changes in present value of defined benefit obligations

	2020 £'000	2019 £'000
At 1 September	7,169	5,142
Upon conversion	2,235	-
Current Service Cost	959	555
Interest Cost	167	152
Actuarial losses	580	1,231
Contribution by members	114	89
Benefits paid	(93)	(24)
Past service cost	-	24
At 31 August	11,131	7,169

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

	2020 £'000	2019 £'000
At 1 September	3,093	2,502
Upon conversion	217	-
Interest income	65	76
Return on plan assets (excluding net interest on the defined pension liability)	482	96
Contributions by employer	443	354
Contributions by members	114	89
Benefits paid	(93)	(24)
At 31 August	4,321	3,093

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
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HAMMERSMITH AND FULHAM PENSION FUND

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2020 by a qualified independent actuary.

	2020	2019
Rate of increase in salaries	3.5%	3.7%
Rate of increase for pensions in payment/ inflation	2.2%	2.2%
Discount rate for scheme liabilities	1.7%	1.9%
Inflation rate (CPI)	2.2%	2.2%

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

	2020 Years	2019 Years
Retiring today:		
Males	22.6	23.4
Females	24.6	24.8
Retiring in 20 years:		
Males	24.2	25.1
Females	26.3	26.7

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	674	919
Other bonds	130	25
Property	147	188
Cash/liquidity	75	54
Other	434	711
TOTAL FAIR VALUE OF ASSETS	1,460	1,897

The actual return on the scheme assets was £88,000 (2019: £95,000).

Amounts recognised in the Statement of Financial Activities:	2020 £'000	2019 £'000
Current service cost	99	159
Past service cost	-	43
Net interest cost	13	29
Total operating charge	112	231

Changes in present value of defined benefit obligations

	2020 £'000	2019 £'000
At 1 September	3,502	2,861
Current Service Cost	99	159
Interest Cost	36	76
Actuarial losses	59	354
Contribution by members	14	27
Benefits paid	(110)	(18)
Past Service Cost	-	43
At 31 August	3,600	3,502

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2020

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	2020 £'000	2019 £'000
At 1 September	1,897	1,704
Interest income	23	47
Return on plan assets (excluding net interest on the defined pension liability)	(421)	34
Contributions by employer	57	103
Contributions by members	14	27
Benefits paid	(110)	(18)
At 31 August	1,460	1,897

HILLINGDON PENSION FUND

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2020 by a qualified independent actuary.

	2020	2019
Rate of increase in salaries	2.5%	2.7%
Rate of increase for pensions in payment/ inflation	2.2%	2.3%
Discount rate for scheme liabilities	1.7%	1.9%
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:

	2020 Years	2019 Years
Retiring today:		
Males	22.1	21.7
Females	24.3	23.7
Retiring in 20 years:		
Males	22.8	22.4
Females	25.5	25.0

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	2,237	2,343
Other bonds	1,572	1,745
Property	616	549
Cash/liquidity	333	349
TOTAL FAIR VALUE OF ASSETS	4,758	4,986

The actual return on the scheme assets was £(233,000) (2019: £155,000).

Amounts recognised in the Statement of Financial Activities:	2020 £'000	2019 £'000
Current service cost	968	731
Past service cost	-	56
Net interest costs	112	102
Total operating charge	1,080	889

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
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24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

HILLINGDON PENSION FUND (continued)

Changes in present value of defined benefit obligations	2020 £'000	2019 £'000
At 1 September	10,640	7,676
Current Service Cost	968	731
Interest Cost	212	226
Actuarial (gains)/losses	(1,070)	1,860
Contribution by members	125	134
Benefits paid	(61)	(43)
Past service costs	-	56
At 31 August	10,814	10,640

Changes in the fair value of the Academy Trust's share of scheme assets	2020 £'000	2019 £'000
At 1 September	4,986	4,086
Interest income	100	124
Return on plan assets (excluding net interest on the defined pension liability)	(900)	172
Contributions by employer	508	513
Contributions by members	125	134
Benefits paid	(61)	(43)
At 31 August	4,758	4,986

CAMBRIDGESHIRE PENSION FUND

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2020 by a qualified independent actuary.

	2020	2019
Rate of increase in salaries	2.7%	2.6%
Rate of increase for pensions in payment/ inflation	2.2%	2.3%
Discount rate for scheme liabilities	1.7%	1.9%
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:

	2020 Years	2019 Years
Retiring today:		
Males	22.0	21.5
Females	24.0	23.5
Retiring in 20 years:		
Males	22.7	22.4
Females	25.5	24.9

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020

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 2020 £'000	Fair value at 31 August 2019 £'000
Equities	7,017	5,442
Other bonds	1,216	943
Property	1,029	798
Cash/liquidity	94	73
TOTAL FAIR VALUE OF ASSETS	9,356	7,256

The actual return on the scheme assets was £(37,000) (2019: £167,000).

Amounts recognised in the Statement of Financial Activities:	2020 £'000	2019 £'000
Current service cost	2,202	1,664
Past service cost	-	71
Net interest cost	216	222
Total operating charge	2,418	1,957

Changes in present value of defined benefit obligations	2020 £'000	2019 £'000
At 1 September	18,690	11,550
Upon conversion	-	1,793
Current Service Cost	2,202	1,664
Interest Cost	358	397
Actuarial losses	1,411	3,005
Contribution by members	269	260
Benefits paid	(121)	(50)
Past Service Cost	-	71
At 31 August	22,809	18,690

Changes in the fair value of the Academy Trust's share of scheme assets	2020 £'000	2019 £'000
At 1 September	7,256	4,755
Upon conversion	-	960
Interest income	142	175
Return on plan assets (excluding net interest on the defined pension liability)	768	126
Contributions by employer	1,042	1,040
Contributions by members	269	260
Benefits paid	(121)	(50)
At 31 August	9,356	7,256

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2020

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

ISLINGTON PENSION FUND

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2020 by a qualified independent actuary.

	2020	2019
Rate of increase in salaries	3.8%	3.5%
Rate of increase for pensions in payment/ inflation	2.4%	2.1%
Discount rate for scheme liabilities	1.8%	1.8%
Inflation rate (CPI)	2.3%	2.0%

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

	2020	2019
	Years	Years
Retiring today:		
Males	22.7	23.1
Females	25.2	26.3
Retiring in 20 years:		
Males	24.2	25.3
Females	27.1	28.6

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	656	400
Other bonds	130	78
Property	198	129
Cash/liquidity	64	3
Other	142	78
TOTAL FAIR VALUE OF ASSETS	<u>1,190</u>	<u>688</u>

The actual return on the scheme assets was £32,000 (2019: £34,000).

Amounts recognised in the Statement of Financial Activities:	2020	2019
	£'000	£'000
Current service cost	440	327
Past service cost	-	38
Net interest cost	15	16
Administrative expenses	9	-
Total operating charge	<u>464</u>	<u>381</u>

Changes in present value of defined benefit obligations

	2020	2019
	£'000	£'000
At 1 September	1,599	777
Current Service Cost	440	327
Interest Cost	31	23
Actuarial losses	355	310
Contribution by members	130	124
Benefits paid	(15)	-
Past service cost	-	38
At 31 August	<u>2,540</u>	<u>1,599</u>

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2020

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

	2020	2019
	£'000	£'000
At 1 September	688	412
Interest income	16	7
Return on plan assets (excluding net interest on the defined pension liability)	186	18
Contributions by employer	194	127
Contributions by members	130	124
Benefits paid	(15)	-
Administrative expenses	(9)	-
At 31 August	1,190	688

WANDSWORTH PENSION FUND

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2020 by a qualified independent actuary.

	2020	2019
Rate of increase in salaries	3.3%	3.7%
Rate of increase for pensions in payment/ inflation	2.3%	2.2%
Discount rate for scheme liabilities	1.7%	1.9%
Inflation rate (CPI)	2.3%	2.2%

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

	2020	2019
	Years	Years
Retiring today:		
Males	21.8	23.4
Females	24.4	24.8
Retiring in 20 years:		
Males	23.2	25.1
Females	25.9	26.7

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	327	357
Government bonds	11	16
Other bonds	76	60
Property	46	26
Cash/liquidity	28	6
Other	50	68
TOTAL FAIR VALUE OF ASSETS	538	533

The actual return on the scheme assets was £(22,000) (2019: £59,000).

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2020

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

WANDSWORTH PENSION FUND (continued)

Amounts recognised in the Statement of Financial Activities:	2020 £'000	2019 £'000
Current service cost	67	66
Past service cost	-	13
Net interest cost	4	4
Total operating charge	71	83
Changes in present value of defined benefit obligations	2020 £'000	2019 £'000
At 1 September	803	602
Current Service Cost	67	66
Interest Cost	15	16
Actuarial (gains)/losses	(22)	97
Contribution by members	9	10
Benefits paid	(2)	(1)
Past service cost	-	13
At 31 August	870	803
Changes in the fair value of the Academy Trust's share of scheme assets	2020 £'000	2019 £'000
At 1 September	533	438
Interest income	11	12
Return on plan assets (excluding net interest on the defined pension liability)	(47)	40
Contributions by employer	34	34
Contributions by members	9	10
Benefits paid	(2)	(1)
At 31 August	538	533

The Elliot Foundation Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

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 2020. 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 Estates and H&S Officer for TEFAT for the year to 31 August 2020. She was paid a total of £36,172 (2019: £39,791). There was £nil outstanding as at 31 August 2020 (2019:£nil).

The Director of Governance is also a director of TTT International Ltd and a member of Morse Digital LLP. There were no transactions with these companies in the year (2019: £2,000). There was £nil outstanding as at 31 August 2020 (2019:£nil).

There were transactions totalling £200 for property maintenance with ConnectED in the year (2019: £930). They are a related party through the Principal of Millfield Primary. There was £nil outstanding as at 31 August 2020 (2019:£nil).

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

26 Transfer of schools into the Trust

Transfers in 2019-20

On 1 February 2020 Childs Hill Primary School joined The Elliot Foundation Academies Trust. The transfer from the local authority was for £nil consideration and the substance of the transfer is that of a gift and has been recognised as such. 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	-	5,675,000	-	5,675,000
Cash funds	-	-	113,382	113,382
LGPS pension deficit	(2,018,000)	-	-	(2,018,000)
	<u>(2,018,000)</u>	<u>5,675,000</u>	<u>113,382</u>	<u>3,770,382</u>

Post conversion the school had total income of £1,662,931 of income (including £113,382 of reserves on conversion) and expenditure of £1,643,389.

Transfers in 2018-19

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)
	<u>(843,000)</u>	<u>9,718,267</u>	<u>156,291</u>	<u>9,031,558</u>

27 Teaching School Trading Account

	Total 2020 £'000	Total 2019 £'000
Income		
Direct Income	105	50
Expenditure		
Direct staff costs	42	47
Support costs	55	3
Surplus/(Deficit) from all sources	<u>8</u>	<u>-</u>
Teaching School balances at 1 September 2019	-	-
Teaching School balances at 31 August 2020	8	-

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 but an agreement by those parties as to where the assets would be transferred had not yet been achieved as at the signing date. As at 31 August 2019 these were valued at £282,775 in the Trust's books. The local authority also had not yet advised of an updated position on the LGPS deficit for the school and so it is currently held in the Trust's books at the same value as last year (a deficit of £868,000).

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2020

29 Prior period adjustment

The Trust has previously adopted a depreciation policy on Leasehold Buildings and Land of calculation on a reducing balance basis, at a rate between 1-12.5% annually. On review of the previously adopted policy in the current year, management have concluded that:

- The policy of using a reducing balance depreciation method is inconsistent with the principles outlined in section 17 of FRS 102 paragraph 17.21 which set out that leasehold premises should be depreciated over the duration of the lease; and
- On review of the depreciation rates used on assets transferred into the Trust, the depreciation rates were not set so as to depreciate the assets on a straight-line basis over the remainder of the lease.

Management consider the effect of these errors to be material, and in accordance with FRS 102 Section 10 'Accounting policies, estimates and errors' a prior year adjustment has been recognised retrospectively to correct the errors.

The use of useful economic life for properties and the length of the lease for land is appropriate based on the expected consumption of the assets.

The effect of the prior period adjustment is to increase accumulated depreciation recognised against Land and Buildings and reduce the Restricted Fixed Asset Fund as at the opening comparative balance sheet (1 September 2018) by £1,933k. In addition, depreciation in the year ended 31 August 2019 was understated by £541k. The impact of this retrospective adjustment on the primary statements in the comparative financial statements is shown below:

Changes to the Balance Sheet

	At 31 August 2019			As restated £'000
	As previously reported £'000	Adjustment at 1 Sep 2018 £'000	Adjustment at 31 Aug 2019 £'000	
Fixed assets				
Tangible assets	76,642	(1,933)	(541)	74,168
Total net assets	43,888	0	(2,474)	41,414
Funds of the academy trust:				
Restricted funds:				
Fixed asset fund	77,398	(1,933)	(541)	74,924
Restricted income fund	4,212	0	0	4,212
Pension reserve	(40,508)	0	0	(40,508)
Total restricted funds	41,102	(1,933)	(541)	38,628
Unrestricted income funds				
Total funds	41,102	(1,933)	(541)	38,628

Changes to net expenditure

	£'000
Net income as reported	7,967
Correction of depreciation	(541)
As restated	<u>7,426</u>

Changes to net movement in funds

	£'000
Net movements in funds as reported	(789)
Correction of depreciation	(541)
As restated	<u>(1,330)</u>

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 2019 to 20, to obtain assurance about whether the expenditure disbursed and income received by The Elliot Foundation Academies Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies: Accounts Direction 2019 to 20 Part 9 Annex B: 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. 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 2019 to 20.

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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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 2019 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 2019 to 20.

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.

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