

The Elliot Foundation Academies Trust

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended

31st August 2018

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)
Henry Bedford (resigned 31st August 2018)
Hugh Greenway (CEO, Accounting Officer and Trustee ex officio)
Sue Nath
Damon Parker
David Gallie
Keith Wainwright
Andrew Harper
Elaine Hedgecock (resigned 1st October 2018)
Jonathan Ford (appointed 1st September 2017)
Gillian Kinnear (appointed 1st February 2018)
Natasha Ostaszewska-Thiebaut (appointed 1st April 2018)
Robert Anderson (appointed 1st March 2018)

Finance committee

[The finance committee incorporates the remuneration committee]
David Gallie (Chair)
Dr. Caroline Whalley CBE
Henry Bedford (resigned 31st August 2018)
Hugh Greenway (ex officio)
Sue Nath
Andrew Harper
Gillian Kinnear (appointed 1st February 2018, resigned 31st August 2018)

Audit committee

Jonathan Ford (Chair)
Henry Bedford (resigned 31st August 2018)
Damon Parker
Robert Anderson (appointed 1st March 2018)
Gillian Kinnear (appointed 7th December 2018)

Standards committee

Elaine Hedgecock (Chair) (resigned 1st October 2018)
Dr. Caroline Whalley CBE (Vice-chair) (resigned 31st August 2018)
Hugh Greenway (ex officio)
Johanne Clifton (Principal Billesley Primary School)
Ann Bowen Breslin (Principal Hillingdon Primary School)
Graham Lockwood (Principal Elm Road Primary School)

Company secretary

Browne Jacobson LLP

Officers

CEO and Accounting Officer – Hugh Greenway

The Elliot Foundation Academies Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Finance Director – Julie Lombardo (resigned January 2018)
Interim Finance Director – Mary Gavigan (appointed February 2018 – term finished August 2018)
Finance Director – Simon Pink (appointed September 2018)
HR & Governance Director – Robert Anderson (retired December 2017)
HR Director – Ruth Dickens (appointed February 2018)
Governance and Policy Director - Jemma Shuttleworth (appointed January 2018)
Senior Regional Director West Midlands – Travis Latham
Regional Director London – Simon Adams
Regional Director East Anglia – Caroline Oliver
Innovations Director – Rachel Jones (resigned March 2018 – position deleted)
Development Director – Dr Sue Robinson (retired December 2018 - position deleted)
Estates Director – Patricia Martin

Principal and registered office

Pyramid House, 252b Gray's Inn Road, London, WC1X 8JT

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 2018. 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 4.

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 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 will depend 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. In addition, 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 includes introducing each new Trustee to 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.

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

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

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

Organisational structure

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

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

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 for his work as CEO only. 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. 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)
8	8

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	0
1-50	8
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 (£)	23,299.41
Total pay bill (£)	42,254,194.52
Percentage of the total pay bill spent on facility time*	0.06%

* 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 (%)**
4.75

*** 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 2017 to March 2018.

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 Warwick University, the Institute of Education and the University of Bangor for the provision of post-graduate education and research
- Teaching and non-teaching unions – we are the only sponsor to be endorsed by the National Association of Head Teachers (NAHT) and work through a National Joint Committee with all teaching and other relevant unions
- The Elliot Foundation which is a registered charity and approved sponsor whose relationship with TEFAT is governed by a members' agreement that was developed with the assistance of the ESFA
- TEFLA Ltd (The Elliot Foundation Learning Alliance) which is an education training and CPD provider and wholly owned subsidiary of The Elliot Foundation (TEFLA Ltd was incorporated in May 2018 but remained dormant during the year).

Objectives, activities and outcomes

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

- I. establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- II. providing childcare facilities and adult training to develop the capacity and skills of parents-to-be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of children."

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

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

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

1. **Safe, secure and sustainable:** Balanced, controlled growth towards 12.5k-14k pupils by 2020 by taking on appropriate new schools in our three current areas or by adding a fourth region.
2. **Building motivation and self-belief:** Children and schools can succeed anywhere; >80% of children positive about themselves as learners, developing regional solutions close to children.

3. **Extending skills:** All academies to be above DfE floor standards and improving academically whilst the Trust as a whole exceeds national averages regardless of context.
4. **Success for all:** Good is a given and >80% of all stakeholders (children, parents, staff, principals and governors) are positively engaged with a sense of agency.

Balanced growth

At 31st August 2018 the Trust had 27 open academies serving almost 11,000 pupils, with one further academy (Westwood Primary Academy) opening on 1st October 2018. So, it is safe to say that the medium-term growth targets will be met. However, this is the first year in the history of the Trust that we have not added a school. In light of turnover in a number of senior positions in the executive (HR Director, Finance Director and Development Director) and the continued fiscal constraints, Trustees have taken an even more considered position on risk opting to withdraw from sponsoring two academies for which Academy Orders had been issued:

- One school because a PFI funding gap could not be mitigated
- And another because the Governors of the school did not wish to federate with another school on conversion

As mentioned in last year's report, the absence of any 'system funding' following the removal by the government of the Education Services Grant in 2017 continues to add risk to the academy project as a whole. Indeed, without a significant government funding review, at current rates of spending the education sector will run out of money in 2020-21. TEFAT is not immune from this issue but has managed to maintain reserves above a level achieved by many Trusts.

Reputation

The Trust's reputation for transformational change in primary schools remains supported in the main by the achievements of its schools outlined below.

Achievement

As can be seen in the table below, the Trust's schools continue to improve. Since the introduction of the new curriculum and assessment framework in 2016 the aggregate percentage of KS2 children achieving Age Related Expectations in reading, writing and maths has risen by 17 percentage points to the current 62%. This still lags the national average by 2 percentage points and Trustees will not be satisfied until we are ahead, regardless of the deprivation and challenge in our schools.

Through the lens of Ofsted, the Trust is exemplary. In its six years of existence and after 25 inspections the Trust has not dropped a single grade (e.g. from Outstanding to Good or from Good to Requires Improvement). Despite five Ofsted inspections in the academic year at some of the more contextually challenged schools the Trust's average impact on schools remains an uplift of 1.1 pts.

The Elliot Foundation Academies Trust
TRUSTEES' REPORT

School name	Post code	Date Joined	Spons./Conv./Novation	OFSTED on joining	Inspections since joining	Current OFSTED	OFSTED trend	Net grade uplift	OFSTED due	EAL	PP	IMD (decile)	ARE RWM % 2016	ARE RWM 2017	RAW ARE % 2018	Attainment Trend
Billesley	B13 0ES	Nov-2012	S	3	2	2	✓	1	2021	58%	53%	1	58%	64%	68%	✓
Chandos	B12 0YN	Feb-2017	S	3					2020	75%	56%	1	16%	55%	47%	✓
Croft	WS2 8JE	Sep-2012	S	3	3	3	—	0	2021	77%	47%	1	19%	30%	68%	✓
George Betts	B66 1RE	Jul-2013	S	2	2	2	—	0	2018	70%	42%	1	45%	65%	57%	✓
Kings Rise	B44 0JL	Nov-2012	S	4	1	1	✓	3	-	16%	63%	1	45%	57%	60%	✓
Shireland Hall	B66 4PW	Jul-2013	C	2	1	1	✓	1	-	65%	39%	2	29%	55%	53%	✓
Shirestone	B33 0DH	Nov-2012	S	2	1	1	✓	1	-	8%	58%	1	70%	77%	90%	✓
Tiverton	B29 6BW	May-2013	S	2	1	1	✓	1	-	49%	45%	4	68%	52%	70%	✓
Woods Bank	WS10 8NQ	Feb-2013	C	3	3	2	✓	1	2019	10%	64%	2	51%	36%	53%	✓
Claremont	NW2 1AB	Apr-2016	C	3					2019	72%	65%	2	34%	40%	63%	✓
Greenside	W12 9PT	Apr-2015	C	2	2	2	—	0	2023	16%	43%	3	67%	79%	90%	✓
Griffin	SW8 4JB	Aug-2017	N	3					2020	63%	52%	3		51%	67%	✓
Hillingdon	UB10 0PH	Jul-2014	C	1					-	61%	19%	5	63%	78%	79%	✓
Hyde	NW9 3PJ	Sep-2013	S	4	1	1	✓	3	-	81%	33%	5	67%	82%	81%	✓
John Locke	UB10 0FW	Sep-2014	New	1		1			-	19%	4%	n/a	n/a			
Lena Gardens	W6 7PZ	Mar-2013	C	2	2	2	—	0	2019	52%	54%	3	61%	94%	82%	✓
Parkfield	NW4 3PJ	Aug-2013	S	4	2	2	✓	2	2018	84%	30%	5	47%	45%	51%	✓
Pinkwell	UB3 1PG	Apr-2013	S	3	3	3	—	0	2019	68%	35%	4	34%	43%	44%	✓
Cavalry	PE15 9EQ	Mar-2017	C	2					2020	11%	21%	5	44%	44%	54%	✓
Elm Road	PE13 2TB	Nov-2015	C	3	2	2			2018	34%	17%	2	50%	54%	48%	✓
Eyrescroft	PE3 8EZ	Dec-2015	S	4	3	3	✓	1	2021	37%	35%	2	33%	24%	38%	✓
Highlees	PE3 7ER	Sep-2013	S	4	2	2	✓	2	2021	54%	45%	1	33%	38%	40%	✓
Little Owls	PE13 2AP	Nov-2013	S	1	1	1	—	0	-			2	n/a	n/a		
Millfield	CB6 1HW	Dec-2015	C	3	2	2	✓	1	2021	7%	24%	7	19%	65%	65%	✓
Nene	PE13 2AP	Nov-2013	S	3	2	2	✓	1	2018	48%	24%	2	n/a	n/a		
Ramnoth	PE13 2JB	Nov-2013	S	4	2	2	✓	2	2018	47%	24%	2	39%	32%	36%	✓
Ramsey Junior	PE26 1AD	Apr-2017	C	2					2020	14%	56%	5	43%	61%	78%	✓
Ramsey Infants	PE26 1JA	Apr-2017	S	2					2020	12%	56%	5	n/a	n/a	n/a	✓
				OFSTED Uplift	2.72	1.8	1.1	TEFAT	45%	41%	2.9	45%	55%	62%	✓	
				Total Inspections to date	25			Nat.Avg.	21%	25%		53%	61%	64%		

- 86% of TEFAT's sponsored academies inspected to date now judged Good or better compared to the national average for sponsored academies of 72% and a national average of all primary schools of 87%
- As of 31st March 2018, there were only 45 outstanding sponsor led primary schools in the country, 5 of these are in TEFAT

Quality

The Trustees will never be 'satisfied' as the performance of the Trust can always be improved but Trustees are pleased to note the sixth successive year of improvements in KS2 outputs and Ofsted judgements.

However, the Trust is also committed to measuring the quality of its work with its stakeholders and Trustees also note that 88% of Principals 'would recommend joining TEFAT which is a decline from the 100% in last year's survey but in line with

expectations in a year of consolidation. The stakeholder engagement process will be expanded in 2018-19 to include staff, parents and children initially in three pilot schools but soon thereafter to all schools in the Trust.

Public benefit

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

Strategic report

Achievements and performance

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

Key financial performance indicators

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

Key Performance Indicator	Target	Actual
Number of Elliot Academies open or soon to open as at 31st August 2018	30	28
Net Reserves (excluding Inherited Assets/Liabilities and Capital Commitments) % of GAG income	Greater than or equal to 5%	12.3%
Total Pay as % of Total Revenue Income (excl: capital funding)	Between 70-80%	79.5%

The key education performance indicators are described above in the section on achievement which begins on page 10.

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

Going concern

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

In excess of 95% of TEFAT funding for delivering education is provided by the Department for Education (DfE) and Local Authority combined. Funding for 2018/19 will remain flat and unadjusted for inflation. The reduction in Education Services Grant will continue until 2019 when it is phased out. Announcements on the new National Funding Formula indicate that per pupil funding will at minimum be maintained for all schools and will grow over the transition years. However, recent

increases in staff pay are not fully funded. To mitigate the effects of this all academies are now producing 3-year plans to ensure that early action is taken to ensure each academy can operate within its available funding.

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

Financial review

The principal source of funding received by TEFAT is from the ESFA in the form of General Annual Grants. Excluding income derived from donated assets, income for the year rose by £11m to £59.8m (2017 - £48.8m). This comprised of £57.6m revenue funding and £2.2m capital funding. TEFAT receives a central allocation of capital funding for maintenance and development of all the estates which amounted to £1.2m in 2017-18 (£0.8m in 2016-17).

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

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

Total expenditure in the year was £60.5m, funded from income (including donated assets from local authorities) of £65.8m. The balance of income over expenditure was £5.3m, including donated buildings from local authorities.

TEFAT continues to operate a lean model of central services. The management services charge to schools is 5% of GAG income which was £2.2m in 2017-18 (£1.9m 2016-17). The Board agreed to raise this to 6% in 2018-19, including a 0.5% dedicated to school development. TEFAT Central Services had a cumulative surplus of £131,000 at the end of 2017-18. However, this included £119,000 of school improvement grants so the underlying Central Services reserve was £12,000. 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 £9.5m (2017: £6.7m), whilst net current assets increased from £5.6m to £6.9m.

Net pension liabilities decreased by £2.8m to £28.0m. At present, this does not impact day to day operations, but reflects a challenging future climate for pension costs as cash contributions are likely to rise.

Reserves policy

In the Trustees' view, the reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. The TEFAT Board propose to maintain the charity's reserves at a level which

is at least equivalent to four weeks operational expenditure. 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 £44.7m. Of this, £65.8m was in respect of the Fixed Assets Reserve (reserve set aside for future depreciation of the company's assets), a deficit of £28m in respect of future potential pension liabilities and restricted capital funds of £903,000 in respect of capital grants received and not yet spent.

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 £6.0m of which £2.7m was unrestricted and £3.3m restricted. Current reserves are at 12.8% (2016/17 – 10.8%) which is above our target. It is anticipated that funding pressures in coming years will see this figure decrease.

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

Parkfield Primary School – This academy has a cumulative deficit of £21,000. This was caused by lower nursery numbers in year. Numbers are however growing and we expect the deficit to be recovered within two years.

Investment policy

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

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

Financial risk management and objectives

Risk management

The Board of TEFAT has established comprehensive risk assessment and management arrangements. These are summarised in the TEFAT Risk Management Statement 2018. 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 100 risks and issues. This is done on a school by school basis, so equates to about four risks and issues per school. Currently around 20% score high in both impact and likelihood These include:

- **Finance:** the impact of poor financial management resulting in cessation of growth, loss of confidence from ESFA and TEFAT academies. Some deficiencies around controls and reporting arose due to turnover in finance staff in year. TEFAT has embarked on a review of financial capability across the academies and a programme of improvement where weakness is identified.
- **Human resources and governance:** the impact of the loss of key academy or central staff and the impact of poor performing staff. This has been mitigated by more robust business continuity plans and succession planning undertaken across the Trust.
- **Education:** lack of improvement in educational performance or attendance, breakdown in relationship with an academy principal and changes to national assessment criteria. This has been mitigated by the continual monitoring of educational performance by the Regional Directors and the establishment and embedding of the Standards Group. 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 week 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 are 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. The combined impact of increases in teachers' pension contributions, increasing national insurance contributions for school staff and a sharp reduction in the Education Services Grant has meant that academy funding continues to 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. Due to staff turnover these processes were not as consistent as in previous years in 2017-18. These systems will be strengthened during 2018-19 to ensure that TEFAT has the capacity to meet future financial challenges.

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

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

Plans for future periods

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

TEFAT aims to grow beyond the 28 academies open (as at 1st October 2018) 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 18 months. The quality of financial administration is expected to show similar improvement within 18 months of opening.

Driven by the removal of the Education Services Grant (a loss of £750k from September 2017) the Trust will be spinning 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 had not begun trading by year end.

The Trust has also been successful in obtaining a 'Teaching School' designation for one of its academies and expects more to follow. To meet these responsibilities, it will create The Elliot Foundation Teaching Schools (TEFTS). This will be a trading name and separate division within the Trust itself.

During 2017-18, the TEFAT strategic maintenance plan was continued which forms the basis of the TEFAT capital programme to maintain the fabric of buildings.

Funds held as custodian Trustee on behalf of others

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

Fundraising

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

Employment of disabled persons

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

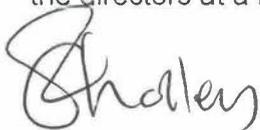
Auditors

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

Disclosure of information to the auditor

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

The Trustees' report is approved by order of the board of Trustees and the Strategic Report (included therein) is approved by the board of Trustees in their capacity as the directors at a meeting on 21st December 2018 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.

The Board of Trustees has delegated the day-to-day responsibility to the CEO as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between TEFAT and the Secretary of State for Education. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

TEFAT board

	Attendance
Dr. Caroline Whalley CBE, (Chair) Education Systems Leadership	5/5
Henry Bedford, (Vice chair) resigned 31st August 2018	0/5
David Gallie, Finance expert	2/5
Susan Nath, Education Child Psychologist	3/5
Hugh Greenway, CEO TEFAT, ex officio	5/5
Damon Parker, Legal Expert	3/5
Keith Wainwright, Policing & community engagement	5/5
Andrew Harper, Education and LA engagement	5/5
Elaine Hedgecock (resigned 1st October 2018) HR expert	2/5
Jonathan Ford (appointed 1st September 2017) Finance expert	4/5
Gillian Kinnear (appointed 1st February 2018) Operations expert	3/5
Natasha Ostaszewska-Thiebaut (appointed 1st April 2018) Marketing expert	3/3
Robert Anderson (appointed 1st March 2018) HR expert	3/3

TEFAT Finance committee

The main purpose of the TEFAT Finance Committee is to review or investigate any other matters referred to the Committee by the Trust Board and draw any significant matters of concern to the attention of the Trust Board. During the year the TEFAT Finance Committee reviewed the budgets for all the academies and recommended them to the TEFAT Board. At each meeting the Finance Committee also reviews the latest set of management accounts for the Trust and challenge the Finance Director on any areas of concern. The TEFAT Finance Committee met 3 times during the year. Attendance during the year at TEFAT finance committee meetings was as follows:

The Elliot Foundation Academies Trust
GOVERNANCE STATEMENT

	Attendance
David Gallie (Chair)	3/3
Henry Bedford (resigned 31st August 2018)	0/3
Dr. Caroline Whalley CBE	2/3
Susan Nath	0/3
Hugh Greenway	3/3
Andrew Harper	3/3
Gillian Kinnear (appointed 1 st February 2018, resigned 31 st August 2018)	1/2

TEFAT Audit committee

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

	Attendance
Henry Bedford (resigned 31st August 2018)	1/3
Damon Parker	1/3
Jonathan Ford	3/3
Robert Anderson (appointed 1st March 2018)	2/2
Gillian Kinnear (appointed 7 th December 2018)	0/0

TEFAT Standards Group

The TEFAT Standards Group 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 Standards Group has met twice during the year. Attendance during the year at TEFAT Standards Group meetings was as follows:

	Attendance
Elaine Hedgecock (Chair) – resigned 1st October 2018	1/2
Hugh Greenway	2/2
Ann Bowen-Breslin - London Principal Representative	2/2
Joanne Clifton – W. Midlands Principal Representative	2/2
Graham Lockwood – E. Anglia Principal Representative	1/2

Value for money

As Accounting Officer, the Chief Executive Officer 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 Elliot Foundation Academies Trust receives the majority of its revenue from public funds and 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 Accounting Officer for TEFAT has delivered improved value for money during the year by:

- I. Improving educational outcomes for all children. The principal goal of The Elliot Foundation Academies trust is to improve outcomes for all pupils in its academies. That the trust has maintained the transformational change in its school despite real terms cuts in its funding is by and of itself 'value for money'. For the third year running the Trust has increased its KS2 attainment figures, up 8 percentage points from last year to 62% in 2017-18.
- II. Improving qualitative judgments. As explained above TEFAT schools are twice as effective as the national average according to OFSTED and almost five times more effective than sponsored academies in the most deprived communities (which represents the majority of TEFAT academies). Reducing the cost of an 'outstanding' OFSTED judgement is also, by and of itself, 'value for money'.
- III. Better purchasing. This year the Trust has continued to focus on improving procurement with opportunities being taken for combining academies spending to secure improved pricing in areas such as utilities and ICT hardware.
- IV. Reviewing operation structures. Models of federations of schools will continue to be a focus for TEFAT with a view to implementing operational and leadership structures that facilitate more effective recruitment and deployment of staffing.
- V. Reviewing controls and managing risk. TEFAT understands that Value for Money should be balanced against risk. The Trust's Risk Management Statement is available on its website and its approach to risk is outlined below. However, in the context of Value for Money the methodology for ensuring that the quest for savings does not prejudice the quality of service is as follows:
 - a. Monthly review of trust wide risk by the operations group captured in the Trust Risk Register which is owned by the CEO.
 - b. Annual review of Academy Principals' opinion of the services provided by the Trust.
 - c. Consultation on all 'Trust wide' procurement exercises with all Academy Principals.
 - d. Comprehensive internal Audit Programme developed with our external partners Academy Advisory.

Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been largely in place in TEFAT for the period ended 31st August 2018 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 2018 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 for each academy an Assurance Officer or Responsible 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. A new Assurance Officer programme was successfully completed in the summer term 2017-18. This along with the external audit highlighted a number of control weaknesses. These included:

- Whilst improved from last year the use of purchase order systems needed to improve further;
- Some control deficiencies over corporate charge card usage;
- Poor frequency and quality of management accounts.

A separate instance of potential fraud led to Trustees commissioning an independent report at the recommendation of the Accounting Officer. This report concluded that no fraud had taken place, nor any losses incurred by the Trust. The report has been shared with the ESFA who has accepted its findings.

The ESFA has also conducted an investigation into reported control issues at the Trust.

The Executive and Trustees were already aware of control and reporting issues and had already started to address these through changes in systems, processes and personnel early in 2018/19.

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

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

- Assurance Officer reports;
- a review of financial transactions and activity by central TEFAT finance staff;
- attendance at Local Governing Body Finance Committee meetings by central finance staff;
- application of the school financial value standard; and
- other relevant information

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

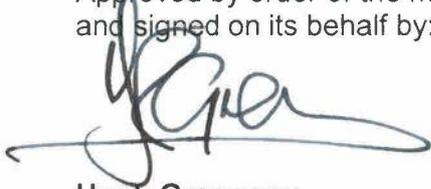
Review of effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and 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 21st December 2018 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 2017.

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

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



Hugh Greenway
Accounting Officer
21st December 2018

Statement of Trustees' responsibilities

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

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

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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform 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 21st December 2018 and signed on its behalf by:



Dr Caroline Whalley CBE
Trustee

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

Opinion

We have audited the financial statements of The Elliot Foundation Academies Trust (the "charitable company") for the year ended 31 August 2018 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 2017 to 18 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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies: Accounts Direction 2017 to 18 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other requirement of the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 24, 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

The Elliot Foundation Academies Trust
INDEPENDENT AUDITOR'S REPORT

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

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

Use of our report

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

RSM UK Audit LLP

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

21st December 2018

The Elliot Foundation Academies Trust
Statement of Financial Activities (Including Income and Expenditure Account)
For the year ended 31 August 2018

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Year ended 31 August 2018 £'000	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Year ended 31 August 2017 £'000
Income From:									
Donations & Capital Grants	2	-	151	8,233	8,384	-	105	1,131	1,236
Transferred upon conversion		-	-	-	-	1,494	(4,961)	7,750	4,283
Charitable Activities									
Funding for the Academy Trust's educational operations	5	-	55,402	-	55,402	-	48,927	-	48,927
Teaching School		-	60	-	60	-	-	-	-
Other trading activities	3	1,953	-	-	1,953	2,078	-	-	2,078
Investments	4	4	-	-	4	4	-	-	4
Total Income		1,957	55,613	8,233	65,803	3,576	44,071	8,881	56,528
Expenditure on:									
Raising Funds		1,957	1,285	-	3,242	-	2,944	-	2,944
Charitable activities									
Academy trust's educational operations	7	-	55,556	1,665	57,221	3,576	46,019	1,743	51,338
Teaching School		-	60	-	60	-	-	-	-
Total Expenditure	6	1,957	56,901	1,665	60,523	3,576	48,963	1,743	54,282
Net income/ (expenditure)		-	(1,288)	6,568	5,280	-	(4,892)	7,138	2,246
Gross transfers between funds	16	-	(266)	266	-	-	(1,022)	1,022	-
Other recognised gains and losses									
Remeasurement of defined benefit pensions obligations	16,24	-	5,787	-	5,787	-	1,864	-	1,864
Net movement in funds		-	4,233	6,834	11,067	-	(4,050)	8,160	4,110
Reconciliation of funds									
Total funds brought forward	16	2,748	(28,962)	59,824	33,610	2,748	(24,912)	51,664	29,500
Total funds carried forward		2,748	(24,729)	66,658	44,677	2,748	(28,962)	59,824	33,610

The Elliot Foundation Academies Trust

Balance Sheet

As at 31 August 2018

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Intangible Fixed Assets	12		2		6
Tangible Assets	13		65,759		58,888
Current assets					
Debtors	14	2,342		2,926	
Cash at bank and in hand		9,500		6,698	
		<u>11,842</u>		<u>9,624</u>	
Current Liabilities					
Creditors: Amounts falling due within one year	15	<u>(4,924)</u>		<u>(4,060)</u>	
Net current assets			<u>6,918</u>		<u>5,564</u>
Total assets less current liabilities					
			<u>72,679</u>		<u>64,458</u>
Defined Benefit Pension scheme liability	24		<u>(28,002)</u>		<u>(30,848)</u>
Total net assets			<u><u>44,677</u></u>		<u><u>33,610</u></u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16		66,658		59,824
General fund	16		3,273		1,886
Pension reserve	16		<u>(28,002)</u>		<u>(30,848)</u>
Total restricted funds			<u><u>41,929</u></u>		<u><u>30,862</u></u>
Total unrestricted income funds	16		<u>2,748</u>		<u>2,748</u>
Total funds			<u><u>44,677</u></u>		<u><u>33,610</u></u>

The financial statements on pages 29 to 59 were approved by the trustees and authorised for issue on 21st December 2018 and signed on their behalf by:

Signature:



Dr. Caroline Whalley CBE
Chair

The Elliot Foundation Academies Trust
Statement of Cash Flows
For the year ended 31 August 2018

		Year ended 31 August 2018 £'000	Year ended 31 August 2017 £'000
Net cash flow provided by/(used in) operating activities	20	3,739	1,453
Investing activities			
Interest received		-	4
Purchase of tangible fixed assets		(2,368)	(1,205)
Purchase of intangible assets		-	(7)
Capital grants from DfE/ESFA		1,431	1,131
Cash transferred in on conversion (note 22)		-	489
Cash flows from investing activities		<u>(937)</u>	<u>412</u>
		<u>2,802</u>	<u>1,865</u>
Change in cash and cash equivalents in the reporting period	23	<u>2,802</u>	<u>1,865</u>
Cash and cash equivalents at 1 September		6,698	4,833
Cash and cash equivalents at 31 August		<u>9,500</u>	<u>6,698</u>

Notes to the financial statements

1 Statement of accounting policies

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

Basis of Preparation

The financial statements of TEFAT, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice (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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. TEFAT meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

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

Grants

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

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

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

Donations

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

Other Income

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

Donated goods, facilities and services

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

Transfer on conversion

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

Transfer of existing academies into the trust

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

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

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

Expenditure

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

Expenditure on Raising Funds

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

Charitable Activities

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

Intangible Fixed Assets

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

Tangible Fixed Assets

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

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

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 there is an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate

that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Financial Instruments

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

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

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

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

Taxation

TEFAT is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with TEFAT in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of

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

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

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2018

2 Donations & Capital Grants

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2018 £'000	Total 2017 £'000
ESFA capital grants	-	-	1,431	1,431	1,131
Surplus transferred upon conversion	-	-	-	-	4,283
Gifted assets	-	-	6,160	6,160	-
Other Donations	-	151	642	793	105
	-	151	8,233	8,384	5,519

Gifted assets reflect works carried out at Ramnoth Junior School and Calremont Primary which were paid for by the Local Authorities.

3 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	210	-	210	134
Catering	457	-	457	382
Breakfast and after school club	316	-	316	289
Uniform	64	-	64	77
Sales of goods and services	20	-	20	56
Consultancy services	170	-	170	331
Other Income	716	-	716	809
	1,953	-	1,953	2,078

4 Investments

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposit interest	4	-	4	4
	4	-	4	4

5 Funding for the Academy Trust's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
DfE/EFSA revenue grant				
General Annual Grant (GAG)	-	48,965	48,965	43,047
Start Up Grants	-	50	50	125
Other EFSA grants	-	2,702	2,702	2,343
Teaching School Grants	-	60	60	-
	-	51,777	51,777	45,515
Other Government grants				
Local Authority / Other	-	3,685	3,685	3,412
Other Income	-	-	-	-
	-	3,685	3,685	3,412
	-	55,462	55,462	48,927

The Elliot Foundation Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2018

6 Expenditure

	Staff Costs	Non Pay Expenditure		Total 2018	Total 2017
		Premises	Other Costs		
	£'000	£'000	£'000	£'000	£'000
Expenditure on Raising Funds	756	-	2,486	3,242	2,942
Academy Trust's educational operations					
Direct costs (note 7)	40,342	-	2,990	43,332	39,238
Allocated support costs (note 7)	6,621	4,013	3,255	13,889	12,102
Teaching School	60	-	-	60	-
	<u>47,779</u>	<u>4,013</u>	<u>8,731</u>	<u>60,523</u>	<u>54,282</u>

Net income/(expenditure) for the year includes:

	Total 2018 £'000	Total 2017 £'000
Amortisation	4	4
Depreciation	1,661	1,315
Operating lease rentals	116	48
Fees payable to RSM UK Audit LLP and its associates for		
- current year audit	84	80
- other services	-	14
	<u> </u>	<u> </u>

7 Charitable Activities

	Total 2018 £'000	Total 2017 £'000
Direct costs		
Teaching and educational support staff costs	40,342	36,145
Technology costs	672	707
Educational supplies	1,679	1,590
Examination fees	-	55
Staff development	378	489
Educational consultancy	261	252
	<u>43,332</u>	<u>39,238</u>
Allocated support costs		
Support staff costs	6,621	5,508
Depreciation	1,661	1,315
Amortisation	4	4
Technology costs	304	123
Recruitment and support	191	124
Maintenance of premises and equipment	801	759
Cleaning	562	478
Rent & Rates	272	239
Energy costs	717	597
Insurance	285	301
Security and transport	117	101
Catering	20	11
Legal and professional fees	1,023	1,172
Bank interest and charges	2	0
Other finance cost - pension finance cost	790	617
Other support costs	403	600
Governance costs	116	152
	<u>13,889</u>	<u>12,103</u>

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2018

8 Staff

a. Staff costs

	Total 2018 £'000	Total 2017 (restated) £'000
Staff costs during the year were:		
Wages and salaries	33,967	30,531
Social security costs	3,111	2,676
Pension costs	8,109	7,053
	<u>45,187</u>	<u>40,260</u>
Supply Staff costs	2,372	1,928
Staff restructuring costs	220	18
	<u>47,779</u>	<u>42,206</u>

The 2017 figures have been restated to reflect a more appropriate and consistent split for staff costs between wages and salaries and supply staff costs. This does not impact on the table totals.

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £57,486 (2017: £17,917). Three non-statutory/non-contractual payments exceeded £5,000 individually, and were for £24,316, £19,170 and £10,000.

c. Staff numbers

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

	Total 2018 No.	Total 2017 No. (restated)	Total 2018 FTE	Total 2017 FTE (restated)
<i>Charitable Activities</i>				
Teachers	488	457	444	416
Administration and support	1,078	989	658	608
Management	42	39	42	39
	<u>1,608</u>	<u>1,485</u>	<u>1,144</u>	<u>1,063</u>

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

	Total 2018 No.	Total 2017 No. (restated)
£60,001 - £70,000	9	7
£70,001 - £80,000	5	5
£80,001 - £90,000	6	7
£90,001 - £100,000	6	2
£100,001 - £110,000	2	4
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£160,001 - £170,000	1	1
	<u>31</u>	<u>28</u>

25 of the above employees participated in the Teachers' Pension Scheme (2017: 22). During the year ended 31 August 2018, pension contributions for these staff amounted to £327,439 (2017: £279,927). 4 (2017: 5) employees participated in the Local Government Pension Scheme, pension contributions amounted to £20,384 (2017: £59,728). None of the above employees participated in a defined contribution scheme (2017: 1 person, pension contributions of £8,784).

Where figures for 2016/17 are shown as restated then this is due to further work conducted after year end which showed errors in prior year disclosures.

Key Management Personnel

The key management personnel of the Academy Trust comprise the trustees (pg 4) and the senior management team (page 5). 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 £1,097,526 (2017: £956,116)

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2018

9 Central Services

The management charge is 5% of General Annual Grant income which for 2017-18 amounts to £2,159,123 (2017: £1,891,785). In 2018-19 the TEFAT Board agreed to increase the management charge to 6% of which 0.5% is ringfenced as a regional development fund for our schools.

TEFAT Central and Educational Su	2.375%
Finance	1.250%
Human Resources & Governance	0.875%
Estates and Facilities	0.250%
Contribution to Reserves	0.250%
Total	5%

Management Charge Per School	Total 2018	Total 2017
	£'s	£'s
Billesley Primary School	137,899	121,380
Cavalry Primary School	76,594	36,569
Chandos Primary School	98,855	57,996
Claremont Primary School	95,414	98,366
Croft Academy	53,521	53,474
Elm Road Primary School	49,531	50,551
Eyrescroft Primary School	71,421	73,014
George Betts Primary School	94,399	92,807
Griffin Primary School	95,180	7,320
Greenside Primary School	52,916	54,729
Highlees Primary School	85,186	84,023
Hillingdon Primary School	118,818	115,800
John Locke Academy	59,532	54,825
Kings Rise Academy	91,570	68,354
Lena Gardens Academy	43,846	45,707
Millfield Primary School	53,259	53,868
Nene Infants	45,809	41,014
Parkfield Primary School	90,717	89,662
Pinkwell Primary School	187,315	196,296
Ramsey Juniors	43,410	18,381
Ramnoth Primary School	51,359	50,504
Woods Bank Primary Academy (formerly Rough Hay)	80,688	78,643
Ramsey Infants	33,880	14,345
Shireland Hall Academy	136,533	129,763
Shirestone Academy	60,479	53,545
The Hyde Primary School	100,193	98,605
Tiverton Primary School	50,799	52,244
	<u>2,159,123</u>	<u>1,891,785</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 £169,720 in 2018 (2017: £168,000). In addition employers pension contributions paid

One trustee was reimbursed expenses for their role as a trustee. Total amount paid was £222 relating to travel expenses (2017: £514 for four trustees).

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 2018

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 2017-18 was £198,936 (2016-17: £176,966).

12 Intangible Fixed Assets

	Computer Software	Total 2018	Total 2017
	£'000	£'000	£'000
Cost			
At 1 September 2017	79	79	72
Additions	-	-	7
At 31 August 2018	79	79	79
Amortisation			
At 1 September 2017	73	73	69
Charged in year	4	4	4
At 31 August 2018	77	77	73
Net book values			
At 31 August 2018	2	2	6
At 31 August 2017	6	6	3

13 Tangible Fixed Assets

	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment	Assets Under Construction	Total 2018
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2017	63,003	327	766	-	64,096
Additions	1,918	153	218	6,243	8,532
Disposals	-	-	-	-	0
Transfers	-	-	-	-	0
At 31 August 2018	64,921	480	984	6,243	72,628
Depreciation					
At 1 September 2017	4,526	186	496	-	5,208
Charged in year	1,425	73	163	-	1,661
Disposals	-	-	-	-	0
At 31 August 2018	5,951	259	659	-	6,869
Net book values					
At 31 August 2018	58,970	221	325	6,243	65,759
At 31 August 2017	58,477	141	270	-	58,888

14 Debtors

	Total 2018	Total 2017
	£'000	£'000
Trade debtors	241	135
Prepayments	447	348
VAT recoverable	258	292
Accrued income	1,396	2,151
	2,342	2,926

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2018

15 Creditors: Amounts Falling due within one Year

	Total 2018 £'000	Total 2017 £'000
Trade creditors	1,197	1,307
Other taxation and social security	764	755
Other creditors	811	867
Accruals and deferred income	2,152	1,131
	<u>4,924</u>	<u>4,060</u>

	Total 2018 £'000	Total 2017 £'000
Deferred income at 1 September	802	605
Resources deferred in year	990	802
Amounts released from previous years	(802)	(605)
Deferred income at 31 August	<u>990</u>	<u>802</u>

Deferred income is income received in the reported financial year which is intended for use within a future year. 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 2017 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses and Transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	1,874	48,965	(47,461)	(266)	3,112
Pension reserve	(30,848)	-	(2,941)	5,787	(28,002)
Start Up Grant	231	50	(124)	-	157
Other ESFA/Local Authority grant	(219)	6,447	(6,228)	-	-
Voluntary Income	-	151	(151)	-	-
	<u>(28,962)</u>	<u>55,613</u>	<u>(56,905)</u>	<u>5,521</u>	<u>(24,733)</u>
Restricted fixed asset funds					
DfE/ESFA/LA capital grants	936	8,233	-	(8,266)	903
Fixed assets purchased from cap	3,423	-	(236)	8,532	11,719
Inherited fixed assets	55,465	-	(1,425)	-	54,040
	<u>59,824</u>	<u>8,233</u>	<u>(1,661)</u>	<u>266</u>	<u>66,662</u>
Total restricted funds	<u>30,862</u>	<u>63,846</u>	<u>(58,566)</u>	<u>5,787</u>	<u>41,929</u>
Unrestricted funds					
Unrestricted funds	2,748	1,957	(1,957)	-	2,748
Total unrestricted funds	<u>2,748</u>	<u>1,957</u>	<u>(1,957)</u>	<u>-</u>	<u>2,748</u>
Total funds	<u>33,610</u>	<u>65,803</u>	<u>(60,523)</u>	<u>5,787</u>	<u>44,677</u>

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 2018. 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.

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

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

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

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

Analysis of academies by fund balance

	Balance at 31 August 2018	Balance at 31 August 2017 (restated)
	£'000	£'000
Fund balances were allocated as follows:		
Billesley Primary School	72	124
Claremont Primary	74	49
Croft Academy	54	(4)
The Elliot Foundation Academies Trust	131	128
Elm Road Primary School	1	(4)
Eyrescroft Primary School	7	6
George Betts Primary Academy	192	150
Hillingdon Primary Academy	155	25
Highlees Primary School	311	256
Kings Rise Academy	30	57
Lena Gardens Primary School	23	(57)
Millfield Primary	229	210
Nene Infant and Nursery School	419	345
Parkfield Primary School	(21)	20
John Locke Academy	9	25
Greenside Primary School	415	296
Pinkwell Primary School	530	458
Woods Bank Primary Academy (formerly Rough Hay)	89	(26)
Ramnoth Junior School	182	121
Shireland Hall Primary Academy	516	308
The Shirestone Academy	278	252
The Hyde School	473	270
Tiverton Primary Academy	170	166
Chandos Primary School	195	111
Cavalry Primary School	250	209
Ramsey Infants	39	48
Ramsey Juniors	51	55
Griffin Primary School	1,147	1,036
Total before fixed assets and pension reserve	6,021	4,634
Restricted fixed asset fund	66,658	59,824
Pension Reserve	(28,002)	(30,848)
	44,677	33,610

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

The figures for Woods Bank for 2016/17 have been restated due to the deficit being omitted last year and not being identified until post year end. The note last year therefore did not reconcile to the rest of the accounts.

The Elliot Foundation Academies Trust
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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 2018	Year ended 31 August 2017
	£'000	£'000	£'000	£'000	£'000	£'000
Billesley Primary School	2,666	467	82	417	3,632	3,683
Claremont Primary	1,719	106	55	445	2,325	2,430
Croft Academy	838	124	44	211	1,217	1,301
The Elliot Foundation Academies Trust	217	1,432	41	603	2,293	2,258
Elm Road Primary School	786	69	26	216	1,097	1,209
Eyrescroft Primary School	1,205	271	77	202	1,755	1,661
George Betts Primary Academy	1,570	221	71	316	2,178	2,166
Hillingdon Primary Academy	2,170	457	77	336	3,040	3,018
Highlees Primary School	1,404	216	84	276	1,980	1,992
Kings Rise Academy	1,650	284	116	294	2,344	2,096
Lena Gardens Primary School	786	102	29	132	1,049	1,154
Millfield Primary	883	156	40	247	1,326	1,313
Nene Infant and Nursery School	1,219	162	29	213	1,623	1,506
Parkfield Primary School	2,023	155	71	373	2,627	2,259
John Locke Academy	1,115	125	43	327	1,610	1,382
Greenside Primary School	903	162	48	169	1,282	1,341
Pinkwell Primary School	3,244	490	128	661	4,523	4,771
Woods Bank Primary Academy (formerly R)	1,358	194	103	272	1,927	2,026
Ramnoth Junior School	887	138	19	191	1,235	1,187
Shireland Hall Primary Academy	2,414	296	84	471	3,265	3,105
The Shrestone Academy	890	149	51	370	1,460	1,407
The Hyde School	2,028	144	89	371	2,632	2,631
Tiverton Primary Academy	817	193	23	214	1,247	1,289
Cavalry Primary School	1,596	127	71	309	2,103	1,026
Chandos Primary School	1,484	515	46	361	2,406	1,411
Griffin Primary School	1,393	116	66	329	1,904	145
Ramsey Juniors	765	84	38	135	1,022	419
Ramsey Infants	600	43	28	144	815	340
LGPS pension cost	2,151	-	-	790	2,941	2,435
	40,781	6,998	1,679	9,400	58,858	52,962

17 Analysis of Net Assets between Funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds	Restricted General funds	Restricted Fixed Asset Funds	Balance at 31 August 2018
	£'000	£'000	£'000	£'000
Tangible Fixed Assets	-	-	65,755	65,755
Intangible Fixed Assets	-	-	2	2
Current assets	4,993	5,947	901	11,842
Current liabilities	(2,245)	(2,679)	-	(4,924)
Pension scheme liability	-	(28,002)	-	(28,002)
Total net assets	2,748	(24,733)	66,658	44,673

Fund balances at 31 August 2017 were represented by:

	Unrestricted Funds	Restricted General funds	Restricted Fixed Asset Funds	Balance at 31 August 2017
	£'000	£'000	£'000	£'000
Tangible Fixed Assets	-	-	58,888	58,888
Intangible Fixed Assets	-	-	6	6
Current assets	5,399	3,704	521	9,624
Current liabilities	(2,651)	(1,409)	-	(4,060)
Pension scheme liability	-	(30,848)	-	(30,848)
Total net assets	2,748	(28,553)	59,415	33,610

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18 Capital Commitments

	Total 2018 £'000	Total 2017 £'000
Contracted for, but not provided in the financial statements	63	0
	<u>63</u>	<u>0</u>

19 Financial Commitments

Operating Leases

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

	Total 2018 £'000	Total 2017 £'000
Other (not land and buildings)		
Expiring within one year	85	27
Expiring within two and five years inclusive	121	42
	<u>206</u>	<u>69</u>

20 Reconciliation of Net Income to Net Cashflow from Operating Activities

	Total 2018 £'000	Total 2017 £'000
Net income for the reporting period	5,280	2,246
Amortisation (note 12)	4	4
Depreciation (note 13)	1,661	1,315
Capital grants from DfE and other capital income	(1,431)	(8,881)
Gifted assets	(6,160)	-
Cash transferred in on conversion (note 22)	-	(489)
Interest receivable (note 4)	(4)	(4)
Defined Benefit pension cost less contributions payable (note 24)	2,151	1,820
Defined Benefit Pension finance income (note 24)	790	617
Defined benefit pension scheme obligation inherited (note 26)	-	4,961
Increase in debtors	584	(551)
Increase in creditors	864	415
Net cash provided by/ (used in) operating activities	<u>3,739</u>	<u>1,453</u>

21 Conversion to an Academy Trust

Tangible fixed assets:

Leasehold land and buildings	-	7,750
- School budget surplus	-	1,493
- LGPS pension deficit	-	(4,961)
Net assets/(liabilities)	<u>-</u>	<u>4,282</u>

22 Members Liability

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

23 Analysis of Changes in Net Funds

	At 1 September 2017	Cash flows	At 31 August 2018	At 31 August 2017
	£'000	£'000	£'000	£'000
Cash in hand and at bank	6,698	2,802	9,500	6,698
	<u>6,698</u>	<u>2,802</u>	<u>9,500</u>	<u>6,698</u>

The Elliot Foundation Academies Trust
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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 of which are multi-employer defined-benefit schemes.

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

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

Contributions were payable to the schemes as follows at 31 August 2018 and are included within other creditors:

	Balance at 31 August 2018	Balance at 31 August 2017
	£	£
Teachers' Pension Scheme	287,994	373,467
Local Government Pension Scheme	375,116	358,824
	<u>663,109</u>	<u>732,291</u>

Teachers' Pension Scheme

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

Valuation of the Teachers' Pension Scheme

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

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits of £191,500 million, and notional assets (estimated future contributions together with the proceeds for the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fees), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £2,752,000 (2017: £2,715,000).

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
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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 2018 was £4,074,000 (2017: £3,232,000), of which employer's contributions totalled £3,230,000 (2017: £2,518,000) and employees' contribution totalled £844,000 (2017: £714,000). The agreed rates for future years are 10.8 - 24.8 per cent for employers and between 5.5 - 6.8 per cent

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

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

	West Midlands £'000	Barnet £'000	Hammersmith & Fulham £'000	Hillingdon £'000	Cambridges hire £'000	Islington £'000	Wandsworth £'000	Total £'000
2018								
Fair value of plan assets	8,428	2,502	1,704	4,086	4,755	412	438	22,325
Present value of funded defined benefit	(21,719)	(5,142)	(2,861)	(7,676)	(11,550)	(777)	(602)	(50,327)
Deficit in schemes	(13,291)	(2,640)	(1,157)	(3,590)	(6,795)	(365)	(164)	(28,002)
Amounts recognised in the Statement of Financial Activities								
Current service cost	1,829	637	182	906	1,477	279	58	5,368
Net interest cost	370	76	34	106	188	10	6	790
Gain on curtailment	13	-	-	-	-	-	-	13
Total	2,212	713	216	1,012	1,665	289	64	6,171
2017								
Fair value of plan assets	6,933	2,005	1,552	3,290	3,467	215	386	17,848
Present value of funded defined benefit	(21,735)	(4,890)	(2,908)	(7,355)	(10,731)	(455)	(622)	(48,696)
Deficit in schemes	(14,802)	(2,885)	(1,356)	(4,065)	(7,264)	(240)	(236)	(30,848)
Amounts recognised in the Statement of Financial Activities								
Current service cost	1,433	528	225	759	1,162	217	14	4,338
Net interest cost	252	73	41	84	160	7	-	617
Total	1,685	601	266	843	1,322	224	14	4,955

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

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2018

24 Pension and similar obligations (continued)

Local Government Pension Schemes (continued)

WEST MIDLANDS PENSION FUND

Principal actuarial assumptions

	2018	2017
Rate of increase in salaries	3.8%	4.2%
Rate of increase for pensions in payment/ inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.7%	2.6%
Inflation rate (CPI)	2.3%	2.7%

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

	2018 Years	2017 Years
Retiring today:		
Males	21.9	21.8
Females	24.4	24.3
Retiring in 20 years:		
Males	24.1	24.0
Females	26.7	26.6

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

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	5,334	4,384
Government bonds	607	507
Other bonds	311	269
Property	684	507
Cash/liquidity	315	345
Other	1,177	921
FAIR VALUE OF ASSETS	<u>8,428</u>	<u>6,933</u>

The actual return on the scheme assets was £84,000 (2017: £918,000).

Amounts recognised in the Statement of Financial Activities:	2018 £'000	2017 £'000
Current service cost	1,829	1,433
Net interest cost	370	252
Gain on curtailment	13	0
Total operating charge	<u>2,212</u>	<u>1,685</u>

The Elliot Foundation Academies Trust
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Local Government Pension Schemes (continued)

WEST MIDLANDS PENSION FUND (continued)

Changes in present value of defined benefit obligations

	2018	2017
	£'000	£'000
At 1 September	21,735	14,286
Upon conversion	-	3,066
Current Service Cost	1,829	1,433
interest Cost	567	369
Actuarial (gains)/losses	(2,538)	2,524
Contribution by members	284	253
Benefits paid	(171)	(196)
Gains on curtailments and settlements	13	-
At 31 August	21,719	21,735

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

	2018	2017
	£'000	£'000
At 1 September	6,933	4,934
Interest income	197	117
Return on plan assets (excluding net interest on the defined pension liability)	(111)	912
Contributions by employer	1,296	913
Contributions by members	284	253
Benefits paid	(171)	(196)
At 31 August	8,428	6,933

BARNET PENSION FUND

Principal actuarial assumptions

	2018	2017
Rate of increase in salaries	2.6%	2.7%
Rate of increase for pensions in payment/ inflation	2.3%	2.4%
Discount rate for scheme liabilities	2.8%	2.5%
Inflation rate (CPI)	2.3%	2.5%

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

	2018	2017
	Years	Years
Retiring today:		
Males	21.9	21.9
Females	24.3	24.3
Retiring in 20 years:		
Males	23.9	23.9
Females	26.5	26.5

The Elliot Foundation Academies Trust
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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 2018 £'000	Fair value at 31 August 2017 £'000
Equities	1,451	1,423
Other bonds	751	582
Cash/liquidity	300	-
TOTAL FAIR VALUE OF ASSETS	2,502	2,005

The actual return on the scheme assets was £75,000 (2017: £(596,000)).

Amounts recognised in the Statement of Financial Activities:	2018 £'000	2017 £'000
Current service cost	637	528
Net interest cost	76	73
Total operating charge	713	601

Changes in present value of defined benefit obligations

	2018 £'000	2017 £'000
At 1 September	4,890	5,795
Current Service Cost	637	528
Interest Cost	131	122
Actuarial (gains)	(585)	(1,608)
Contribution by members	89	72
Benefits paid	(20)	(19)
At 31 August	5,142	4,890

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

	2018 £'000	2017 £'000
At 1 September	2,005	2,269
Interest income	55	49
Return on plan assets (excluding net interest on the defined pension liability)	25	(645)
Contributions by employer	348	279
Contributions by members	89	72
Benefits paid	(20)	(19)
At 31 August	2,502	2,005

The Elliot Foundation Academies Trust
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HAMMERSMITH AND FULHAM PENSION FUND

Principal actuarial assumptions

	2018	2017
Rate of increase in salaries	3.8%	4.2%
Rate of increase for pensions in payment/ inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.7%	2.6%
Inflation rate (CPI)	2.3%	2.7%

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

	2018 Years	2017 Years
Retiring today:		
Males	24.5	24.4
Females	26.1	26.0
Retiring in 20 years:		
Males	26.8	26.7
Females	28.5	28.3

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

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	987	810
Property	153	84
Cash/liquidity	47	30
Other	517	628
TOTAL FAIR VALUE OF ASSETS	1,704	1,552

The actual return on the scheme assets was £34,000 (2017: £95,000).

Amounts recognised in the Statement of Financial Activities:	2018 £'000	2017 £'000
Current service cost	182	225
Net interest cost	34	41
Total operating charge	216	266

Changes in present value of defined benefit obligations

	2018 £'000	2017 £'000
At 1 September	2,908	2,640
Current Service Cost	182	225
Interest Cost	76	61
Actuarial (gains)	(321)	(243)
Contribution by members	27	32
Benefits paid	(11)	193
At 31 August	2,861	2,908

The Elliot Foundation Academies Trust
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HAMMERSMITH AND FULHAM PENSION FUND (continued)

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

	2018	2017
	£'000	£'000
At 1 September	1,552	742
Interest income	42	20
Return on plan assets (excluding net interest on the defined pension liability)	(8)	441
Contributions by employer	102	124
Contributions by members	27	32
Benefits paid	(11)	193
At 31 August	1,704	1,552

HILLINGDON PENSION FUND

Principal actuarial assumptions

	2018	2017
Rate of increase in salaries	2.7%	2.8%
Rate of increase for pensions in payment/ inflation	2.3%	2.4%
Discount rate for scheme liabilities	2.8%	2.5%
Inflation rate (CPI)	2.3%	2.5%

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

	2018	2017
	Years	Years
Retiring today:		
Males	22.6	22.6
Females	24.6	24.6
Retiring in 20 years:		
Males	24.0	24.0
Females	26.5	26.5

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

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	2,002	2,039
Other bonds	1,144	790
Property	490	395
Cash/liquidity	450	66
TOTAL FAIR VALUE OF ASSETS	4,086	3,290

The actual return on the scheme assets was £184,000 (2017: £344,000).

	2018	2017
	£'000	£'000
Amounts recognised in the Statement of Financial Activities:		
Current service cost	906	759
Net interest costs	106	84
Total operating charge	1,012	843

The Elliot Foundation Academies Trust
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HILLINGDON PENSION FUND (continued)

Changes in present value of defined benefit obligations

	2018	2017
	£'000	£'000
At 1 September	7,355	6,341
Current Service Cost	906	759
Interest Cost	196	139
Actuarial (gains)/losses	(883)	36
Contribution by members	136	123
Benefits paid	(34)	(43)
At 31 August	7,676	7,355

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

	2018	2017
	£'000	£'000
At 1 September	3,290	2,392
Interest income	90	55
Return on plan assets (excluding net interest on the defined pension liability)	52	289
Contributions by employer	552	474
Contributions by members	136	123
Benefits paid	(34)	(43)
At 31 August	4,086	3,290

CAMBRIDGESHIRE PENSION FUND

Principal actuarial assumptions

	2018	2017
Rate of increase in salaries	2.7%	2.7%
Rate of increase for pensions in payment/ inflation	2.4%	2.4%
Discount rate for scheme liabilities	2.8%	2.5%
Inflation rate (CPI)	2.4%	2.5%

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

	2018	2017
	Years	Years
Retiring today:		
Males	22.4	22.4
Females	24.4	24.3
Retiring in 20 years:		
Males	24.0	24.1
Females	26.3	26.3

The Elliot Foundation Academies Trust
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CAMBRIDGESHIRE PENSION FUND (continued)

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

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	3,756	2,670
Other bonds	523	450
Property	333	243
Cash/liquidity	143	104
TOTAL FAIR VALUE OF ASSETS	4,755	3,467

The actual return on the scheme assets was £300,000 (2017: £(221,000)).

Amounts recognised in the Statement of Financial Activities:	2018 £'000	2017 £'000
Current service cost	1,477	1,162
Net interest cost	188	160
Total operating charge	1,665	1,322

Changes in present value of defined benefit obligations

	2018 £'000	2017 £'000
At 1 September	10,731	8,592
Upon conversion	-	2,494
Current Service Cost	1,477	1,162
Interest Cost	288	220
Actuarial (gains)	(1,106)	(1,853)
Contribution by members	203	160
Benefits paid	(43)	(44)
At 31 August	11,550	10,731

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

	2018 £'000	2017 £'000
At 1 September	3,467	2,092
Upon conversion	-	819
Interest income	100	60
Return on plan assets (excluding net interest on the defined pension liability)	209	(281)
Contributions by employer	819	661
Contributions by members	203	160
Benefits paid	(43)	(44)
At 31 August	4,755	3,467

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 August 2018

ISLINGTON PENSION FUND

Principal actuarial assumptions

	2018	2017
Rate of increase in salaries	3.6%	3.7%
Rate of increase for pensions in payment/ inflation	2.2%	2.2%
Discount rate for scheme liabilities	2.8%	2.5%
Inflation rate (CPI)	2.1%	2.2%

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

	2018	2017
	Years	Years
Retiring today:		
Males	23.0	22.9
Females	26.2	26.1
Retiring in 20 years:		
Males	25.2	25.1
Females	28.5	28.4

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

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	234	122
Other bonds	69	41
Property	68	30
Cash/liquidity	2	1
Other	39	21
TOTAL FAIR VALUE OF ASSETS	412	215

The actual return on the scheme assets was £18,000 (2017: £15,000).

Amounts recognised in the Statement of Financial Activities:	2018 £'000	2017 £'000
Current service cost	279	217
Net interest cost	10	7
Total operating charge	289	224

Changes in present value of defined benefit obligations

	2018 £'000	2017 £'000
At 1 September	455	181
Current Service Cost	279	217
Interest Cost	12	5
Actuarial (gains)/losses	(67)	3
Contribution by members	98	72
Benefits paid	-	(23)
At 31 August	777	455

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
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ISLINGTON PENSION FUND (continued)

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

	2018	2017
	£'000	£'000
At 1 September	215	92
Interest income	2	(2)
Return on plan assets (excluding net interest on the defined pension liability)	8	15
Contributions by employer	89	61
Contributions by members	98	72
Benefits paid	-	(23)
At 31 August	412	215

WANDSWORTH PENSION FUND

Principal actuarial assumptions

	2018	2017
Rate of increase in salaries	3.8%	4.2%
Rate of increase for pensions in payment/ inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.7%	2.6%
Inflation rate (CPI)	2.3%	2.7%

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

	2018	2017
	Years	Years
Retiring today:		
Males	24.5	24.4
Females	26.1	26.0
Retiring in 20 years:		
Males	26.8	26.7
Females	28.5	28.3

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

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	293	281
Government bonds	18	16
Other bonds	44	40
Property	15	12
Cash/liquidity	2	3
Other	66	34
TOTAL FAIR VALUE OF ASSETS	438	386

The actual return on the scheme assets was £31,000 (2017: £11,000).

The Elliot Foundation Academies Trust
 NOTES TO THE FINANCIAL STATEMENTS
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WANDSWORTH PENSION FUND (continued)

Amounts recognised in the Statement of Financial Activities:

	2018	2017
	£'000	£'000
Current service cost	58	14
Net interest cost	6	-
Total operating charge	64	14

Changes in present value of defined benefit obligations

	2018	2017
	£'000	£'000
At 1 September	622	-
Upon conversion	-	587
Current Service Cost	58	14
Interest Cost	16	1
Actuarial (gains)/losses	(94)	18
Contribution by members	7	2
Benefits paid	(7)	-
At 31 August	602	622

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

	2018	2017
	£'000	£'000
At 1 September	386	-
Upon conversion	-	367
Interest income	10	1
Return on plan assets (excluding net interest on the defined pension liability)	18	10
Contributions by employer	24	6
Contributions by members	7	2
Benefits paid	(7)	-
At 31 August	438	386

The Elliot Foundation Academies Trust
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 For the year ended 31 August 2018

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 2018. Details of relevant payments are included in note 10. Hugh Greenway is a director of TEFLA Ltd, which was incorporated in year. TEFLA Ltd had not started trading at year end.

Marianne Linden is the mother in law of the CEO/AO, Hugh Greenway, and she was employed as Office Manager for TEFAT for the year to 31 August 2018. She was paid a total of £39,336 (2017: £40,888). There was £nil outstanding as at 31 August 2018 (2017:£nil).

The Director of Governance is also a director of TTT International Ltd. There were transactions totalling £6,000 with TTT International Ltd in the year (2017: £nil) relating to website design. There was £nil outstanding as at 31 August 2018 (2017:£nil).

There were transactions totalling £1,573 for property maintenance with ConnectED in the year (2017: £nil). They are a related party through the Principal of Millfield Primary. There was £nil outstanding as at 31 August 2018 (2017:£nil).

There were transactions totalling £686 with a theatre in Birmingham, for a school trip. They are a related party through the Principal of Billesley Primary. There was £nil outstanding as at 31 August 2018 (2017:£nil).

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

26 Teaching School Trading Account

	Total 2018 £'000
Income	
Direct Income	60
Expenditure	
Direct staff costs	60
Surplus/(Deficit) from all sources	<u>0</u>
Teaching School balances at 1 September 2017	0
Teaching School balances at 31 August 2018	0

The Teaching School started in 2017/18.

27 Post Balance Sheet Events

A new Academy joined the MAT on the 1st October 2018 (Westwood Primary School). This brings the total number of academies to 28.

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 2017 to 18, we have carried out an engagement to obtain assurance about whether the expenditure disbursed and income received by The Elliot Foundation Academies Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies: Accounts Direction 2017 to 18 Part 9: Regularity Reporting. We are independent of The Elliot Foundation Academies Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion

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

The accounting officer is responsible, under the requirements of The Elliot Foundation Academies Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. 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 2017 to 18.

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

The Elliot Foundation Academies Trust

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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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 2017 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 2017 to 18.

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

Use of our report

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

RSM UK Audit LLP

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

21st December 2018

The Elliot Foundation Academies Trust
INDEPENDENT AUDITOR'S REPORT

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

21st December 2018

