



EVERY CHILD, EVERY DAY ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

EVERY CHILD, EVERY DAY ACADEMY TRUST

(A company limited by guarantee)

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EVERY CHILD, EVERY DAY ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Members

F Kitson
D Muallem
S Oviatt-Ham
J Botterill

Trustees

F Kitson (Chair)
B Alexander
D Bealing
E England
D Farquharson
Dr L Goodwin
P St Martin (Resigned 8 July 2019)
B Watkin

Company Secretary

N Knox-Hall (Resigned 17th July 2019)

Senior Management Team

A Ali (Interim Chief Executive Officer, appointed 4 August 2019)
P Moralee (Interim Operations and Finance Lead, appointed 2nd September 2019)
M Bailey (Chief Executive Officer, resigned 3 August 2019)
N Knox-Hall (Chief Financial Officer, resigned 31 July 2019)
G Bashford (Associate Headteacher, Grey Court School)
V Price (Associate Headteacher, Grey Court School)
T Maltby (Headteacher, Hollyfield School)
C Rhodes (Headteacher, Grey Court School, appointed 1 May 2019)
A Newton (Associate Headteacher, Hollyfield School)

Company Name

Every Child, Every Day Academy Trust

Principal and Registered Office

Ham Street, Ham, Richmond upon Thames, TW10 7HN

Company Registered Number

08185432 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Lloyds TSB plc, 402/404 Ewell Road, Tolworth, Surbiton KT6 7HG

Solicitors

Browne Jacobson LLP, 3 Piccadilly Place, Manchester, M1 3BN

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees of the Every Child, Every Day Academy Trust (the "Trust") present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust operates across two (2) sites, Grey Court School and the Hollyfield School and is a multi-academy trust. The Trust caters for pupils aged 11 to 19, and currently serves catchment areas in the London Boroughs of Richmond upon Thames and Kingston upon Thames, respectively. It has a pupils on roll of 2,498 in the school census on 14th October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Trust's memorandum and articles of association (the "Articles") are the primary governing documents of the Trust. The Trustees of the Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as the Every Child, Every Day Academy Trust.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one (1) year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

The Trust has joined the Government's Risk Protection Arrangement. Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed in accordance with the provisions set out in the Articles, and are appointed by Members of the Trust for a period of four (4) years.

Trustees are determined to raise the educational progress and attainment of students within the Trust, and take responsibility for ensuring that:

- the skills of any new Trustee fit into the Trust's requirements in the short, medium and longer term. This means addressing skills gaps, diversity and ensuring effective succession planning to the Board
- each Trustee is eligible to become a Trustee and not disqualified from doing so (including the requirement that they are not disqualified from being a Charity Trustee or Company Director or from the provisions of the Trust's Articles)
- all relevant checks are made including an enhanced Disclosure and Barring Service (DBS) check: Trustees are also asked to sign a Trustee Declaration of Eligibility and a Declaration of Business interests
- Trustees understand their role and responsibilities that they are taking on and consent to act as Trustees

The Trust uses Academy Ambassadors as the specialist body to support Trustee recruitment and identify potential Trustees.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trustees offer a wide range of skills and experiences essential to the good governance of the Trust. Accordingly, each new Trustee is given an induction programme that includes:

- a briefing with the Chief Executive Officer and Chief Financial Officer
- a tour of the sites (as required)
- a chance to observe lessons
- relevant Trust documents (e.g. Articles, past papers, school's prospectus, School Improvement Plans)

Ongoing training and development is supported and encouraged, with Trustees attending Local Authority-provided training as well as access to online support services and e-learning provided by the National Governance Association. Trustees annually complete a skills audit to identify any potential gaps in skills and experience which will inform individual and collective training needs.

Organisational structure

The Trust has established a clear governance structure consisting of three (3) primary levels: Members, Trustees and Executive (in tandem with the respective Local Governing Bodies and sub-committees).

The Trustees are responsible for the strategic direction of the Trust; deciding and setting key aspects of the Trust (including annual budgets), senior staff appointments and policy changes. The majority of roles have been delegated to two committees: the Leadership, Management and Resources Committee and the Performance and Standards Committee. In addition, each school within the Trust has a Local Governing Body, which reports in to the Trust Board, and themselves have local sub-committees. This governance structure supports a fundamental tenet of the Trust, which is local autonomy within its schools.

Operational management is the responsibility of the Chief Executive Officer (who is also the Accounting Officer). The CEO's staff is made up of Senior Leadership Teams (SLT), Heads of Faculties, Phase Leaders and Group Tutors. Members of the SLTs attend Local Governing Body meetings.

The Trust has agreed a scheme of delegation which, together with the Trust's Finance Policy, identify clear responsibilities and reserved decisions.

Arrangements for setting pay and remuneration of key management personnel

The SLT are the Key Management Personnel within the Trust. Trustees and the Chief Executive Officer have delegated significant authority and responsibilities in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is in line with the Trust Pay Policy, where Trustees have determined salary ranges. Pay progression is in line with the Trust's Performance Policy, based upon the achievement of targets, and as ratified by Trustees.

Trustees are not remunerated for their work at the Trust, but may be eligible for small incidental expenses in line with the Allowance Policy.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Employees and disabled persons

The Trust is an equal opportunities employer, under the Equalities Act 2010, and will:

- recruit, train and promote applicants/employees based upon their abilities, the needs of the post and other relevant criteria. The Trust treats all applicants/employees who apply for positions equally, and does not consider race, nationality, colour, ethnic or national origin, age, sex, marital status, sexuality, beliefs or disability in any matters to do with employment
- encourage all employees to take advantage of the opportunities it provides for training and development
- regularly review its practices and procedures to make sure that the equal opportunities policy is embedded; recognising that more than a formal statement is required to make the policy work. Duly, the Trust expects each employee to make their own contribution, and makes all applicants/employees aware of this policy

With regard to disabled persons, the Trust will:

- not discriminate in the career development and promotion of disabled persons
- monitor all applications for employment from disabled persons via a declaration section within the application form
- proactively operate positive action by means of those persons that meet the essential criteria of the post automatically being shortlisted for interview
- with any employee who may become disabled during their employment, will undertake an assessment, and where possible a reasonable adjustment will be made which may be physical (i.e. adaptation), training or adjustments to working practices, thereby ensuring that all employees can access training and career development opportunities regardless of disability

With regard to employee consultation the Trust:

- consults with staff as required, which may take the form of local or organisation wide consultation. During the year presentations were given at Grey Court School by the Chief Executive Officer in relation to the budgetary consequences arising from cuts in grant funding and its impact upon the school. Staff were proactive in coming forward with positive ideas which assisted the Trust greatly
- The CEO holds weekly staff briefings

Trade union facility time

None

Related Parties and other Connected Charities and Organisations

The Trust has established Grey Court Education Fund as a separate company limited by guarantee (company number 07499941) and registered charity (number 1141466) in order to raise funds to support development of resources.

ECED Trading Company Ltd (company number 11053001) is a dormant company linked to the Trust.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objects of the Trust are:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing a school offering a broad and balanced curriculum

Objectives, Strategies and Activities

On 1 September 2016, Grey Court School converted to a multi-academy trust, taking on The Hollyfield School and Sixth Form Centre, and the name of the company was changed to Every Child, Every Day Academy Trust.

The Trust's strategic planning is set out broadly around various themes:

- To establish a high expectations and success culture
- To develop an aspirational and inspirational curriculum
- To develop a sustainable and high quality distributive leadership
- To build an innovative and lifelong learning community
- To sustain and grow outstanding post-16 provision
- To underpin the continuing development of a robust business model that will support sustainable growth of the Trust

All of the Trust's work continues to focus on improving the quality of its provision in order to enable all students to achieve the highest possible standards of attainment and achievement. Additionally, as the Trust grows, this offer will be extended towards the new schools.

The planned outcomes are:

- Our vision statement is shared and lived by all
- Academic excellence is achieved by all students
- There is high participation by students, staff and parents
- Our environment is reflective of our ethos
- The school community works in partnership with the local community in the development of our Trust
- Relationships are characterised by trust, challenge and respect
- Student voice is active and valued.
- All staff and students enjoy a reasonable work life balance
- The Trust collaborates and shares activities with other students in identified schools nationally and globally
- The Trust reduces expenditure through centralisation and efficiency so as to redeploy funding to young people's education.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Public Benefit

Trustees have considered the Charity Commission's guidance on public benefit. The key public benefit delivered by the Trust is the maintenance and development of a high-quality education for the young people of the communities where the Trust's schools are situated.

In doing this, the Trust offers a broadly-based academic education as well as a wide-range of extra-curricular activities, educational trips, visits and foreign exchange programmes that benefit every child every day.

STRATEGIC REPORT

Achievements and Performance

This is the third year of operation for the Trust as a multi-academy organisation, and a summary of key results is shown below. The Trust has been generally successful in achieving its goals and has returned mostly positive results. Additionally, the Trust has maintained its Ofsted profile.

Whilst these are mostly positive results, the Trust recognises the scope for further improvements for Disadvantaged Students at Hollyfield and Grey Court, Post 16 provision at Hollyfield and all groups that encompass Special Educational Needs (SEN).

Achievements and performance will be discussed in two (2) parts:

- Part 1 – Key Stage 4
- Part 2 – Key Stage 5

Achievements and Performance

Part 1 – Key Stage 4

A. Headline Key Stage 4 results

Table A below summarises the main key educational performance indicators.

Table A

	Hollyfield			Grey Court			National		
	2017	2018	2019	2017	2018	2019	2019	2017	2018
Progress 8	+0.32	-0.07	+0.07	+0.60	+0.32	+0.52			
Attainment 8 [Score]	52.30	49.06	49.08	59.26	56.40	57.05		46.00	44.26
Basics [English and Maths at A*-C or 9-4]	74%	70%	69%	80%	81%	81%		63%	64%
% Entered for EBacc	67%	63%	59%	79%	66%	62%		38%	38%
% Achieving EBacc	41%	37%	36%	58%	49%	51%		24%	24%

Note: Progress 8 national results are blank as progress is measured relative to the starting point for the student versus national achievement for students starting at an equivalent point

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Achievements and Performance (continued)

Table A shows:

- Students in our family of schools are making more progress than those nationally. Steps are in place to address any disparity in performance between our schools.
- Both schools have a progress score above that of the national scores with Grey Court significantly above national for the second year in a row.
- The proportion entering EBAC and achieving EBAC is still considerably above the national average.
- A disparity between schools in terms of the percentage of students achieving English and Maths at Grade 9-4. Both schools have attainment that is considerably above the national average.

B. Progress 8

The Progress 8 score is calculated for each student by comparing their achievement – their Attainment 8 score – with the average Attainment 8 score of all pupils nationally who had a similar starting point in Key Stage 2 (or 'prior attainment'). The greater the Progress 8 score, the greater the progress made by the student compared to the average of students with similar prior attainment.

The progress scores are listed in Table B below.

Table B

	Hollyfield			Grey Court		
	2017	2018	2019	2017	2018	2019
All students	0.32	-0.07	0.07	0.60	0.32	0.52
Disadvantaged	-0.27	-0.38	-0.45	0.22	-0.36	-0.02
Non-Disadvantaged	0.44	0.01	+0.17	0.70	+0.50	+0.61
SEN (All)	0.22	-0.31	-0.31	0.43	-0.10	+0.44
SEN (K)	0.33	-0.28	-0.47	0.38	-0.08	+0.42
SEN (EHCP/S)	-0.32	-0.59	+0.51	0.95	-0.18	+0.54
Non-SEN	0.32	-0.03	+0.07	0.66	+0.49	+0.55
EAL	0.24	0.18	+0.17	1.00	+0.65	+1.11
Non-EAL	0.32	-0.15	-0.08	0.52	+0.26	+0.42
Male	0.23	-0.18	-0.04	0.52	+0.16	+0.40
Female	0.45	0.21	+0.09	0.70	+0.53	+0.64
PAG High	0.33	0.06	+0.20	0.60	+0.39	+0.56
PAG Mid	0.28	-0.12	-0.06	0.59	+0.15	+0.42
PAG Low	0.43	-0.58	+0.03	0.65	+0.45	+0.62

2018/19 was the second year that almost all GCSEs taken were reformed GCSEs on the 9-1 grading system. The level of challenge and the linear terminal assessments of these qualifications have resulted in the gap between disadvantaged students and their non-disadvantaged peers widening at both trust schools and nationally.

In addition, there is a gender gap in attainment across both trust schools. As both schools have cohorts that are weighted towards boys this is an important area and cross school intervention strategies are in place to reduce the attainment gap in 2019.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Achievements and Performance (continued)

C. Education Destination Measures

Table F shows the destinations guidelines as published in the 2019 IDSR for both schools 2019 Update – 2019 IDSR still only have the 2017 data.

Table D

	Hollyfield	Grey Court	National
Pupils Staying in education or entering employment after Key Stage 4			
Overall going on to sustained education / employment / training	94%	91%	94%
Education	89%	89%	86%
Apprenticeships	3%	1%	5%
Employment	2%	1%	3%
Staying in Education			
Further Education or FE provider	19%	25%	34%
School Sixth Form	56%	45%	38%
Sixth Form College	SUPP	19%	13%
Other	SUPP	SUPP	2%
Destination Not Recorded or captured			
Not recorded in sustained destination	SUPP	SUPP	5%
Activity not captured	SUPP	SUPP	1%

Note: SUPP means 'suppressed' as the number of individuals in the category is too small

The overall figures show that both in Grey Court and Hollyfield the number of students in sustained education is 89% which is just above the national average.

Key Performance Indicators (KPIs)

Financial KPIs were set by the Trustees for the year. Actual income and expenditure were monitored against budget.

The Trust will be implementing a set of Financial KPIs this financial year which will be agreed and then presented to our governing bodies and Trust Board.

Going Concern

The board of Trustees is aware that the 2019-20 forecasted budget deficit will exhaust the school's reserves, such that there is an overall deficit position. There is a material uncertainty about the Academy Trust's ability to continue as a going concern and it therefore acknowledges that, without additional funding support, the Academy Trust has inadequate resources to continue in operational existence for the foreseeable future. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies (1.6) and note 25. Trustees are acutely aware of the situation and will be working with the ESFA, as well as implementing strategies to increase income and make efficiency savings thus reducing the deficit position in order to enable financial recovery of the Trust in the medium term.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

FINANCIAL REVIEW

Most of the Trust's income is obtained from the Department for Education (DfE) via the Education Skills and Funding Agency (ESFA) in the form of its General Annual Grant (GAG), the use of which is restricted to delivering the objectives of the Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust received capital grants from the Condition Improvement Fund to provide for improvements to the premises, as well as Devolved Formula Capital. In accordance with the Charities SORP FRS 102, these amounts are shown in the Statement of Financial Activities as restricted fixed asset funds.

Expenditure for the period was covered by the GAG and Pupil Premium received from the DfE and other income such as voluntary contributions and activities generating funds.

The deficit for the year ended 31 August 2019 was £1,097,238 (before capital income, depreciation and pension adjustments). The local government pension scheme liability at 31 August 2019 was £4,564,000 (2018: £2,965,000).

Reserves Policy

Trustees review the reserves level of the Trust annually. This review encompasses income and expenditure streams, the need to match income with commitments and the nature of reserves.

Trustees have determined each school within the Trust should build and maintain sufficient levels of funds in order to create stability and sustainability – to service the school's short and longer term plans. At minimum the Trust deems that each school hold the appropriate level of free reserves equivalent to four weeks of expenditure, and as a multi-academy should currently hold an aggregated cash reserve of approximately £1m. This level of cash is to provide sufficient working capital to enable the Trust to cover delays between spending and receipt of grants, to manage unfunded increases in student numbers and to provide a cushion to deal with unexpected emergencies.

The Trust will seek to build up free reserves in order to contribute to any pension fund deficit that may arise from time to time. It is also intended to develop the Trust's longer term goals and ambitions by building up seed funding for future capital projects and educational initiatives for the benefit of students of the Trust.

The Trust's current level of free reserves (total funds less the amounts held in Restricted Fixed Assets Fund and Pension reserve) as at 31 August 2019 is £58,800 (2018: £1,176,472). The Trust will continue to build up free reserves to the level required.

Unrestricted		-
Restricted:	Fixed asset funds	69,754,204
	GAG	58,395
	Pension reserve	(4,564,000)
	Other	-
		<u>£65,248,599</u>

The deficit on the pension reserve related to the Local Government Pension Scheme for non-teaching staff assets are held to fund future liabilities as discussed in note 26. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Investment Policy

Monies are held in bank accounts which generate a small amount of interest during the year.

Principal Risks and Uncertainties

Trustees have assessed the possible risks to the future of the Trust via the risk register and assessment of developments. The chief risks identified include:

- **Financial** A reduction of funding by central government
- **Demand** Competition through the opening of new free schools within the vicinity of an existing Trust school
- **Delivery** Difficulty in recruiting skilled staff in some subject areas such as science and mathematics

Systems and procedures have been developed to mitigate these risks. High level risks are reviewed by the Leadership, Management and Resources Committee and appropriate action taken as required.

FUNDRAISING

Our Trust and the schools conduct fund raising through events throughout the year. We do not currently have any commercial participators or engagement with professional fundraisers and believe that our approach to fundraising conforms to recognised standards.

We do monitor all fundraising carried out on our behalf as it is conducted via our schools or Parent Teacher Associations and to date we have not received any fundraising complaints.

As a Trust we always consider the protection of the public of prime importance, including that of vulnerable people and therefore do not conduct any form of fundraising that would be considered unreasonably intrusive or persistent, and avoid any activities that would put people under undue pressure to donate.

PLANS FOR FUTURE PERIODS

Chessington School continues to be a part of our family of schools as an Associate Member with a memorandum of understanding in place to support them on the journey to joining our Trust.

For much of last year we supported three schools of the Future Schools Trust. These schools are based in Kent and consist of two secondary schools, Cornwallis and New Line Learning as well as a primary school, Tiger Primary and Nursery. Despite the geographical location of the schools, it was felt that there were a lot of synergies which made them a good fit for our expanded Trust.

In April 2019, trustees of the Future Schools Trust voted not to join our trust. The schools would have doubled the size of our trust and this work was a primary focus of our plans for growth.

Within our existing family of schools, the Trust continues to improve its academic performance at all levels as evidenced by excellent and rising results at all public exams: GCSE, AS levels and A' levels. Supporting and enhancing this is an ambitious extra-curricular programme of activities across the schools. The Trust continues to improve its facilities.

At Grey Court there has been a full renewal and replacement of significantly underperforming heating, a full refurbishment of existing roofing and a significant improvement to the changing facilities including re-build of this area.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

PLANS FOR FUTURE PERIODS (continued)

At Hollyfield there has been a significant rebuild of the main hall to ensure adequate canteen facilities. Alongside this the previous canteen facility has been refurbished into an exam and teaching space to a high standard. A significant CIF fund granted development is the Specialist Resource Provision now operating at Hollyfield. This is a borough funded provision to meet the High Needs issues we have in the local area.

Both schools' projects are as a result mainly of CIF funding and grant funding.

At Hollyfield CIF funding has been agreed for the redevelopment of a Music Bloc to ensure adequate facilities. The current facilities are not fit for purpose nor compliant with most H and S Standards. Further plans include redevelopment of the sports hall and gym.

At Grey Court there are plans to refurbish and replenish elements of Newman House that do not meet standard. Given funding this will be a two phased approach moving from essential to desirable changes.

During the year Maggie Bailey resigned as Chief Executive Officer on 3 August 2019. She was replaced on an interim basis on 4 August 2019 by Ash Ali. Mr Ali is also Headteacher of Chessington School (an Associate Member of our trust).

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust did not hold any funds as a custodian trustee on behalf of any other organisation during the year.

AUDITOR

MHA MacIntyre Hudson LLP has indicated its willingness to continue in office.

In so far as the Trustees are aware there is no relevant audit information of which the charitable company's auditor is unaware; and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20 December 2019 and signed on the Board's behalf by:

.....
F Kitson
Chair of Trustees

EVERY CHILD, EVERY DAY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met three(3) times during the year; the Performance and Standards Committee (P&S) has met three (3) times during the year; and the Leadership, Management and Resources Committee (LMR) has met four (4) times during the year. The Members have met once (1) in the year.

Attendance at these meetings was as follows:

	Member	Board	LMR	P&S
F Kitson (Chair, Board of Trustees)	1/1	3/3	4/4	
J Botterill	1/1			
D Muallem	1/1			
S Oviatt Ham	1/1			
B Alexander		3/3	4/4	
D Bealing		3/3	4/4	
E England		2/3		3/3
D Farquharson		3/3	4/4	
Dr L Goodwin		3/3		3/3
P St Martin (Resigned 8 July 2019)		0/3	0/4	
B Watkin		1/3		3/3
M Bailey (CEO and Accounting Officer, Resigned 3 August 2019)		3/3	3/4	3/3

In addition to the above, a one-day governance conference for Members, Trustees and local governing bodies was hosted by the Trust (held on 5 July 2019).

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the 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 the academy trust has delivered improved value for money during the year by:

- Continuing to improve results for our students
- Effective financial governance and oversight through Board/LMR Committee meetings and accurate and timely financial reporting
- Financial governance and oversight through Local Governing Body/sub-committee meetings and accurate and timely financial reporting
- Effective procurement in accordance with government best practice and regulations
- LMR adopting audit functions to review controls and managing risks

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

THE RISK AND CONTROL FRAMEWORK (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint MHA MacIntyre Hudson as internal auditor. MHA MacIntyre Hudson role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included:

- Testing of purchase systems
- Testing of payroll systems
- Testing of control accounts and bank reconciliations

MHA MacIntyre Hudson provides reports to the Local Governing Body's sub-committees on the operation of systems of controls, and to the Trust LMR annually on the discharge of the Trustees financial responsibilities. The reports provided made recommendations for improvements in procedures and controls.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

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

During the year Maggie Bailey resigned as Chief Executive Officer on 3 August 2019. She was replaced on an interim basis on 4 August 2019 by Ash Ali. Mr Ali is also headteacher of Chessington School (an Associate Member of our trust).

Neil Knox-Hall, Chief Financial Officer, resigned on 31 July 2019. Paul Moralee leads the trust's finance function from 4 August 2019. Mr Moralee also leads the finance function at Chessington School (an Associate Member of our trust).

Approved by order of the members of the Board of Trustees on 20 December 2019 and signed on its behalf by:

F Kitson
Chair of Trustees

A Ali
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Every Child, Every Day Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

Matter 1 - Financial planning and monitoring

During the year the Academy Trust failed to fully comply with section 2.3.3 in preparing management accounts every month setting out its financial performance and position.

A Ali
Accounting Officer

20 December 2019

EVERY CHILD, EVERY DAY ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

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

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

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

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

Approved by order of the members of the board of Trustees on 20 December 2019 and signed on its behalf by:

F Kitson
Chair of Trustees

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EVERY CHILD, EVERY DAY ACADEMY TRUST

Opinion

We have audited the financial statements of Every Child, Every Day Academy Trust (the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.6 and note 25 in the financial statements, which indicates uncertainty over the ability of the Academy Trust to pay expenses as they fall due within the foreseeable future. As stated in note 1.6, these events or conditions, along with the other matters as set forth in note 1.6, indicate that a material uncertainty exists that may cast significant doubt on the Academy Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EVERY CHILD, EVERY DAY ACADEMY TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EVERY CHILD, EVERY DAY ACADEMY TRUST (CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

BIANCA SILVA BA ACA DChA (Senior Statutory

for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

20 December 2019

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EVERY CHILD, EVERY DAY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Every Child, Every Day Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Every Child, Every Day Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Every Child, Every Day Academy Trust's funding agreement with the Secretary of State for Education dated 25 May 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

EVERY CHILD, EVERY DAY ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EVERY CHILD, EVERY DAY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines and testing as appropriate, and making appropriate enquires of the Accounting Officer.

Conclusion

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

Matter one - Financial Planning and Monitoring

During the year the Academy Trust failed to fully comply with section 2.3.3 in preparing management accounts every month setting out its financial performance and position.

Reporting Accountant

MHA MacIntyre Hudson

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 20 December 2019

EVERY CHILD, EVERY DAY ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	21,692	1,068,587	1,090,279	2,500,266
Charitable activities:	6					
Teaching school		-	71,127	-	71,127	97,934
Educational operations		-	13,629,157	-	13,629,157	13,708,373
Other trading activities	4	390,209	-	-	390,209	508,791
Investments	5	1,921	-	-	1,921	2,692
Total income		392,130	13,721,976	1,068,587	15,182,693	16,818,056
Expenditure on:						
Charitable activities	7	9,314	15,760,311	1,072,967	16,842,592	16,122,818
Teaching schools	30	-	49,719	-	49,719	38,103
Total expenditure		9,314	15,810,030	1,072,967	16,892,311	16,160,921
Net income/ (expenditure)		382,816	(2,088,054)	(4,380)	(1,709,618)	657,135
Transfers between funds	19	(1,184,993)	1,164,154	20,839	-	-
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(991,000)	-	(991,000)	1,229,000
Net movement in funds		(802,177)	(1,914,900)	16,459	(2,700,618)	1,886,135
Reconciliation of funds:						
Total funds brought forward		802,177	(2,590,705)	69,737,745	67,949,217	66,063,082
Net movement in funds		(802,177)	(1,914,900)	16,459	(2,700,618)	1,886,135
Total funds carried forward		-	(4,505,605)	69,754,204	65,248,599	67,949,217

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 26 to 57 form part of these financial statements.

EVERY CHILD, EVERY DAY ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08185432

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	14		68,976,472		67,063,540
Investments	15		100		100
			<u>68,976,572</u>		<u>67,063,640</u>
Current assets					
Debtors	16	1,136,303		2,150,254	
Cash at bank and in hand		1,468,923		2,984,925	
		<u>2,605,226</u>		<u>5,135,179</u>	
Creditors: amounts falling due within one year	17	(1,764,199)		(1,277,602)	
			<u>841,027</u>		<u>3,857,577</u>
Net current assets					
			<u>69,817,599</u>		<u>70,921,217</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	18		(5,000)		(7,000)
Net assets excluding pension liability			<u>69,812,599</u>		<u>70,914,217</u>
Defined benefit pension scheme liability	26		(4,564,000)		(2,965,000)
Total net assets			<u><u>65,248,599</u></u>		<u><u>67,949,217</u></u>
Funds of the Academy Trust					
Restricted funds:					
Fixed asset funds	19	69,754,204		69,737,745	
Restricted income funds	19	58,395		374,295	
		<u>69,812,599</u>		<u>70,112,040</u>	
Restricted funds excluding pension asset	19	69,812,599		70,112,040	
Pension reserve	19	(4,564,000)		(2,965,000)	
Total restricted funds			<u>65,248,599</u>		<u>67,147,040</u>
Unrestricted income funds	19		-		802,177
Total funds			<u><u>65,248,599</u></u>		<u><u>67,949,217</u></u>

EVERY CHILD, EVERY DAY ACADEMY TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 22 to 57 were approved by the Trustees, and authorised for issue on 20 December 2019 and are signed on their behalf, by:

F Kitson
Chair of Trustees

The notes on pages 26 to 57 form part of these financial statements.

EVERY CHILD, EVERY DAY ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(755,094)	1,459,803
Cash flows from investing activities	23	(758,908)	(889,517)
Cash flows from financing activities	22	(2,000)	(8,714)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(1,516,002)	561,572
Cash and cash equivalents at the beginning of the year		2,984,925	2,423,353
Cash and cash equivalents at the end of the year	24	1,468,923	2,984,925
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 26 to 57 from part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. 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.

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Fund accounting

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

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

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

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

1.3 Exemption from preparing group accounts

These financial statements present information about the Academy as an individual undertaking and not about its group. During the year, Grey Court Education Fund (company registration 07499941) and Grey Court School Farm (company registration 07438223), both charitable companies incorporated in England and Wales, were under the control of the Academy through common control (a majority of the companies' directors were also Trustees of the Academy). As permitted by Companies Act 2006 and the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008 as well as paragraph 7.2.4 in the Academies Accounts Direction 2018 to 2019, the Trustees have elected not to prepare group accounts on the basis that the activities of Grey Court Education Fund and Grey Court School Farm are immaterial to the financial statements of the Academy.

ECED Trading Company Ltd (company number 11053001) was incorporated on 8 November 2017 as a subsidiary of the Trust and remained dormant in the period to 31 August 2019.

Grey Court Education Fund Statement of Accounts can be viewed on the Companies House website: <https://beta.companieshouse.gov.uk/company/07499941/filing-history>.

Grey Court School Farm Statement of Accounts can be viewed on the Companies House website: <https://beta.companieshouse.gov.uk/company/07438223/filing-history>.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Income

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

• **Grants**

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

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

Capital grants are recognised in full when there is unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund. Capital grants 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 year it is receivable and to the extent the Academy Trust has provided the goods or services.

1.5 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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust does not have adequate resources to continue in operational existence for the foreseeable future and there are material uncertainties about the Academy Trust's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, however as the Academy Trust will be in discussions with the ESFA regarding their financial projections. More information regarding the Academy Trust's ability to continue as a going concern is given in note 25.

1.7 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Academy Trust. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 2% per annum (buildings only) on cost
Fixtures, fittings and equipment	- 10% per annum on cost
Computer equipment	- 25% per annum on cost

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.9 Investments

The academy's shareholding in the wholly owned subsidiary, ECED Trading Company Ltd, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

1.10 Operating leases

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

1.11 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.12 Cash at bank and in hand

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

1.13 Liabilities and provisions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.15 Taxation

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.16 Pensions

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

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

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

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

1.17 Interest receivable

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. 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 a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgements that have a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

3. Income from donations and capital grants

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	188,358	188,358	162,644
Capital grants	901,921	901,921	2,337,622
	<u>1,090,279</u>	<u>1,090,279</u>	<u>2,500,266</u>
Total 2018	<u>2,500,266</u>	<u>2,500,266</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings income	103,145	103,145	109,349
Staff consultancy	40,430	40,430	109,641
Other income	246,634	246,634	289,801
	<u>390,209</u>	<u>390,209</u>	<u>508,791</u>

5. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	1,921	1,921	2,692

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	11,789,076	11,789,076	11,585,313
Pupil premium	-	380,482	380,482	453,206
Other DfE/ESFA revenue grants	-	237,744	237,744	176,769
Teaching school	-	71,127	71,127	88,459
	-	12,478,429	12,478,429	12,303,747
Other government grants				
SEN income	-	294,627	294,627	428,599
Other government grants	-	13,158	13,158	10,819
	-	307,785	307,785	439,418
Other funding				
Trip income	-	583,403	583,403	738,905
Catering income	-	310,667	310,667	300,904
Other income	-	20,000	20,000	23,333
	-	13,700,284	13,700,284	13,806,307
Total 2018	23,333	13,782,974	13,806,307	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Academy's educational operations:					
Direct costs	10,066,643	-	1,666,544	11,733,187	11,190,967
Support costs	2,464,499	1,699,327	945,580	5,109,406	4,931,851
Teaching school	36,780	-	12,939	49,719	38,103
	<u>12,567,922</u>	<u>1,699,327</u>	<u>2,625,063</u>	<u>16,892,312</u>	<u>16,160,921</u>
Total 2018	<u>11,679,151</u>	<u>1,375,446</u>	<u>3,106,324</u>	<u>16,160,921</u>	

in 2019, of the total expenditure £16,892,312 (2018: £16,160,921) £9,314 (2018: £150,575) was to unrestricted funds, £15,810,030 (2018: £15,011,483) was to restricted funds and £1,072,967 (2018: £998,863) was to restricted fixed asset funds.

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Academy's educational operations	<u>11,733,187</u>	<u>5,109,406</u>	<u>16,842,593</u>	<u>16,122,818</u>
Total 2018	<u>11,190,967</u>	<u>4,931,851</u>	<u>16,122,818</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	10,066,643	9,336,534
Depreciation	270,276	236,295
Technology costs	16,137	16,295
Educational supplies	239,532	254,415
Examination fees	290,729	260,730
Educational consultancy	138,922	173,579
School trips	520,648	737,693
Other direct costs	190,300	175,426
	11,733,187	11,190,967

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	79,000	91,000
Staff costs	2,464,499	2,305,686
Depreciation	794,196	762,568
Technology costs	53,872	67,873
Premises costs	771,031	739,514
Other support costs	896,033	928,140
Governance costs	50,775	37,070
	5,109,406	4,931,851

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019	2018
	£	£
Operating lease rentals	38,572	38,261
Depreciation of tangible fixed assets - owned by the charity	1,057,934	988,863
Fees paid to auditors for:		
- audit	17,500	15,000
- other services	33,275	6,750
	<u><u> </u></u>	<u><u> </u></u>

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	9,227,041	8,754,169
Social security costs	947,030	864,213
Pension costs	1,967,815	1,850,647
	<u><u>12,141,886</u></u>	<u><u>11,469,029</u></u>
Agency staff costs	408,630	180,122
Staff restructuring costs	17,406	30,000
	<u><u>12,567,922</u></u>	<u><u>11,679,151</u></u>

Staff restructuring costs comprise:

Severance payments	<u><u>17,406</u></u>	<u><u>30,000</u></u>
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b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £17,406 (2018: £30,000). Individually, the payments were: £17,406 (2018: £30,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

c. Staff numbers

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

	2019	2018
	No.	No.
Teaching	143	141
Administration and support	148	222
Management	24	22
	<u>315</u>	<u>385</u>

d. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	8	8
In the band £70,001 - £80,000	2	3
In the band £80,001 - £90,000	3	1
In the band £140,001 - £150,000	1	1
	<u>14</u>	<u>13</u>

e. Key management personnel

The key management personnel of the Academy Trust comprises the Trustees and the senior management team as listed on page 1 and senior leadership teams at each local school. The total amount of employee benefits (including employer pension and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £2,053,044 (2018: £1,885,531).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Central services

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

- Administration and governance costs including legal and audit fees

The Academy Trust charges for these services on the following basis:

1% of General Annual Grant income.

The actual amounts charged during the year were as follows:

	2019	2018
	£	£
Grey Court School	66,792	53,080
Hollyfield School	51,099	40,400
Total	117,891	93,480

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. Related Party Transactions - Trustee's remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
M Bailey, Head Teacher	Remuneration	145,000 -	140,000 -
		150,000	145,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

13. Trustees' and Officers' insurance

Grey Court School

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £153 (2018 - £371).

Hollyfield School

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. Tangible fixed assets

	Long-term leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	68,208,456	1,905,056	542,130	70,655,642
Additions	2,896,018	14,187	60,661	2,970,866
At 31 August 2019	<u>71,104,474</u>	<u>1,919,243</u>	<u>602,791</u>	<u>73,626,508</u>
Depreciation				
At 1 September 2018	2,671,210	558,815	362,077	3,592,102
Charge for the year	793,196	213,754	50,984	1,057,934
At 31 August 2019	<u>3,464,406</u>	<u>772,569</u>	<u>413,061</u>	<u>4,650,036</u>
Net book value				
At 31 August 2019	<u><u>67,640,068</u></u>	<u><u>1,146,674</u></u>	<u><u>189,730</u></u>	<u><u>68,976,472</u></u>
At 31 August 2018	<u><u>65,537,246</u></u>	<u><u>1,346,241</u></u>	<u><u>180,053</u></u>	<u><u>67,063,540</u></u>

Included within freehold and long lease property is land at valuation of £41,472,679 (2018: £41,472,679) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2018	100
At 31 August 2019	<u>100</u>
Net book value	
At 31 August 2019	<u>100</u>
<i>At 31 August 2018</i>	<u>100</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Academy Trust:

Name	Holding
ECED Trading Company Limited	100%

The financial results of the subsidiary for the year were:

Name	Aggregate of share capital and reserves £
ECED Trading Company Limited	100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Debtors

	2019	2018
	£	£
Due within one year		
Trade debtors	175,501	173,710
Other debtors	61,702	94,310
Prepayments and accrued income	899,100	1,882,234
	<u>1,136,303</u>	<u>2,150,254</u>

17. Creditors: Amounts falling due within one year

	2019	2018
	£	£
SALIX loans	2,000	2,000
Trade creditors	680,419	626,495
Other taxation and social security	309,415	228,201
Other creditors	257,951	161,100
Accruals and deferred income	514,414	259,806
	<u>1,764,199</u>	<u>1,277,602</u>
	2019	2018
	£	£
Deferred income at 1 September 2018	148,407	298,696
Resources deferred during the year	343,276	148,407
Amounts released from previous periods	(148,407)	(298,696)
	<u>343,276</u>	<u>148,407</u>

Deferred income relates mainly to amounts collected for school trips which will take place after the year end and the rates reimbursement for 2019/20 received from the ESFA in advance.

Included above is a SALIX loan of £2,000 (2018: £2,000) from the ESFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue grants over 7 years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019	2018
	£	£
Other loans	5,000	7,000

Included above is a SALIX loan of £5,000 (2018: £7,000) from the ESFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue grants over 7 years.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General unrestricted funds	802,177	392,130	(9,314)	(1,184,993)	-	-
Restricted general funds						
General Annual Grant (GAG)	318,728	1,789,076	(13,289,367)	1,239,958	-	58,395
Pupil premium	-	380,482	(380,482)	-	-	-
Other DfE/ESFA grants	-	237,744	(237,744)	-	-	-
Teaching school	55,567	71,127	(50,890)	(75,804)	-	-
SEN income	-	285,152	(285,152)	-	-	-
Other restricted funds	-	958,395	(958,395)	-	-	-
Pension reserve	(2,965,000)	-	(608,000)	-	(991,000)	(4,564,000)
	<u>(2,590,705)</u>	<u>3,721,976</u>	<u>(15,810,030)</u>	<u>1,164,154</u>	<u>(991,000)</u>	<u>(4,505,605)</u>
Restricted fixed asset funds						
Fixed asset fund	67,063,640	-	(1,057,934)	2,970,766	-	68,976,472
Condition improvement fund	2,666,315	291,424	(5,538)	(2,268,011)	-	684,190
Devolved formula capital	7,790	170,497	-	(134,827)	-	43,460
Capital donations	-	66,666	-	(66,666)	-	-
LA capital grants	-	440,000	-	(435,824)	-	4,176
The London Marathon Charitable Trust Grant	-	100,000	(9,495)	(44,599)	-	45,906
	<u>69,737,745</u>	<u>1,068,587</u>	<u>(1,072,967)</u>	<u>20,839</u>	<u>-</u>	<u>69,754,204</u>
Total Restricted funds	<u>67,147,040</u>	<u>4,790,563</u>	<u>(16,882,997)</u>	<u>1,184,993</u>	<u>(991,000)</u>	<u>65,248,599</u>
Total funds	<u>67,949,217</u>	<u>5,182,693</u>	<u>(16,892,311)</u>	<u>-</u>	<u>(991,000)</u>	<u>65,248,599</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

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

All general funds are held for the purpose of education in line with the Academy's objectives.

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 Education & Skills Funding Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

Other Local Authority and DfE/ESFA grants represent grants from the respective bodies.

The teaching school fund is to work with others to provide high-quality training, development and support to the new and experienced school staff.

The London Marathon Charitable Trust Grant is a grant towards improvements to indoor and outdoor facilities supporting community use of indoor and outdoor facilities for sport.

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

The transfers between the restricted General Annual Grant fund and the restricted fixed asset funds represents amounts capitalised during the period or amounts spent on revenue expenditure.

The Restricted Fixed Asset fund represents the net book value of capitalised fixed assets.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£	£
Grey Court School	(549,205)	188,944
Hollyfield School	527,026	972,660
Central fund	80,574	14,868
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	58,395	1,176,472
Restricted fixed asset fund	69,754,204	69,737,745
Pension reserve	(4,564,000)	(2,965,000)
	<hr/>	<hr/>
Total	65,248,599	67,949,217
	<hr/> <hr/>	<hr/> <hr/>

EVERY CHILD, EVERY DAY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Grey Court School	(549,205)

Expenditure has been in excess of income, and expenditure has been incurred on multi academy trust expansion which did not take place.

The Academy Trust is taking the following action to return the academy to surplus:

Trustees will make revisions to budget, and as per note 26 seek additional support from the ESFA to return to positive funds in the medium term.

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Grey Court School	5,780,544	1,290,423	68,834	1,806,422	8,946,223	8,730,674
Hollyfield School	4,446,017	647,076	170,698	1,012,925	6,276,716	5,852,484
Central fund	-	527,000	-	77,900	604,900	578,900
Academy Trust	10,226,561	2,464,499	239,532	2,897,247	15,827,839	15,162,058

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General unrestricted funds	417,936	534,816	(150,575)	-	-	802,177
Restricted general funds						
General Annual Grant (GAG)	1,227,455	11,585,313	(12,268,206)	(225,834)	-	318,728
Pupil premium	-	453,206	(453,206)	-	-	-
Other DfE/ESFA grants	-	176,769	(176,769)	-	-	-
Teaching school	4,039	88,459	(36,931)	-	-	55,567
SEN income	-	428,599	(428,599)	-	-	-
Other restricted funds	-	1,068,772	(1,068,772)	-	-	-
Pension reserve	(3,615,000)	-	(579,000)	-	1,229,000	(2,965,000)
	<u>(2,383,506)</u>	<u>13,801,118</u>	<u>(15,011,483)</u>	<u>(225,834)</u>	<u>1,229,000</u>	<u>(2,590,705)</u>
Restricted fixed asset funds						
Fixed asset fund	66,354,975	-	(998,863)	1,707,528	-	67,063,640
Condition improvement fund	1,673,677	2,289,106	-	(1,296,468)	-	2,666,315
Devolved formula capital	-	48,516	-	(40,726)	-	7,790
Capital donations	-	144,500	-	(144,500)	-	-
	<u>68,028,652</u>	<u>2,482,122</u>	<u>(998,863)</u>	<u>225,834</u>	<u>-</u>	<u>69,737,745</u>
Total Restricted funds	<u>65,645,146</u>	<u>16,283,240</u>	<u>(16,010,346)</u>	<u>-</u>	<u>1,229,000</u>	<u>67,147,040</u>
Total funds	<u><u>66,063,082</u></u>	<u><u>16,818,056</u></u>	<u><u>(16,160,921)</u></u>	<u><u>-</u></u>	<u><u>1,229,000</u></u>	<u><u>67,949,217</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	68,976,472	68,976,472
Fixed asset investments	100	-	100
Current assets	1,710,938	894,288	2,605,226
Creditors due within one year	(1,647,643)	(116,556)	(1,764,199)
Creditors due in more than one year	(5,000)	-	(5,000)
Provisions for liabilities and charges	(4,564,000)	-	(4,564,000)
Total	(4,505,605)	69,754,204	65,248,599

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	67,063,540	67,063,540
Fixed asset investments	-	-	100	100
Current assets	802,177	1,658,897	2,674,105	5,135,179
Creditors due within one year	-	(1,277,602)	-	(1,277,602)
Creditors due in more than one year	-	(7,000)	-	(7,000)
Provisions for liabilities and charges	-	(2,965,000)	-	(2,965,000)
Total	802,177	(2,590,705)	69,737,745	67,949,217

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019	2018
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,709,618)	657,135
Adjustments for:		
Depreciation	1,057,934	998,863
Capital grants from DfE and other capital income	(1,058,587)	(2,482,122)
Interest receivable	(1,921)	(2,692)
(Increase)/decrease in debtors	(82,930)	1,498,621
Increase in creditors	432,028	210,998
Pension cost	608,000	579,000
Net cash (used in)/provided by operating activities	(755,094)	1,459,803

22. Cash flows from financing activities

	2019	2018
	£	£
Repayments of climate change and SALIX loans	(2,000)	(8,714)

23. Cash flows from investing activities

	2019	2018
	£	£
Dividends, interest and rents from investments	1,921	2,692
Purchase of tangible fixed assets	(2,916,299)	(1,707,428)
Capital grants from DfE Group	1,807,380	718,319
Capital funding received from sponsors and others	348,090	97,000
Investments	-	(100)
Net cash used in investing activities	(758,908)	(889,517)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	1,468,923	2,984,925

25. Going concern

At 31 August 2019, the Academy Trust has revenue reserves of £58,395 excluding pensions. In the forecasts considered by the trustees, the budget for the year to 31 August 2020 estimates a deficit which will leave the Academy Trust with net deficit revenue reserves. The initial forecast considered by the trustees shows a deficit meaning that the Academy Trust would run out of revenue reserves in Q1 2020, and not be in a position to meet ongoing commitments from this date. The Trustees have notified the issue to the ESFA and will be discussing what funds may be available via financial support to enable financial recovery in the medium term. The Trustees remain optimistic that further funding will be made available by the ESFA, which together with further revisions to budgets will provide the basis on which the Trust can meet its obligations and return to positive funds in the medium term.

26. Pension commitments

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

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

Contributions amounting to £182,789 were payable to the schemes at 31 August 2019 (2018 - £96,376) and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. Pension commitments (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of Teachers Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. Pension commitments (continued)

scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £993,379 (2018 - £1,254,363).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £587,000 (2018 - £550,000), of which employer's contributions totalled £446,000 (2018 - £420,000) and employees' contributions totalled £ 141,000 (2018 - £130,000). The agreed contribution rates for future years are 22.8 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.93%	3.05%
Rate of increase for pensions in payment/inflation	2.23%	2.35%
Discount rate for scheme liabilities	1.85%	2.73%
Inflation assumption (CPI)	2.15%	2.30%
RPI increase	3.15%	3.30%

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.5	23.5
Females	24.3	25.4
<i>Retiring in 20 years</i>		
Males	23.85	25.5
Females	25.95	27.6

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. Pension commitments (continued)

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	6,435	4,942
Discount rate -0.1%	6,798	5,220
Mortality assumption - 1 year increase	6,854	5,246
Mortality assumption - 1 year decrease	6,382	4,918
CPI rate +0.1%	6,780	5,205
CPI rate -0.1%	6,452	4,957

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

	At 31	At 31 August
	August 2019	2018
	£	£
Equities	5,375,280	4,518,480
Gilts	138,000	155,000
Bonds	1,080,820	913,200
Property	357,960	263,800
Cash and other liquid assets	233,940	73,520
Alternative assets	612,000	595,000
Total market value of assets	7,798,000	6,519,000

The actual return on scheme assets was £672,000 (2018 - £406,000).

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

	2019	2018
	£	£
Current and past service cost	(973,000)	(907,000)
Interest cost	(79,000)	(91,000)
Administrative expenses	(2,000)	(1,000)
Total amount recognised in the Statement of Financial Activities	(1,054,000)	(999,000)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. Pension commitments (continued)

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

	2019 £	2018 £
Opening defined benefit obligation	9,484,000	9,244,000
Current service cost	973,000	907,000
Interest cost	264,000	241,000
Employee contributions	141,000	130,000
Actuarial losses/(gains)	1,478,000	(973,000)
Benefits paid	22,000	(65,000)
Closing defined benefit obligation	12,362,000	9,484,000

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

	2019 £	2018 £
Opening fair value of scheme assets	6,519,000	5,629,000
Employer contributions paid	446,000	420,000
Interest income	185,000	150,000
Actuarial gains	487,000	256,000
Employee contributions	141,000	130,000
Benefits paid	22,000	(65,000)
Administration expenses	(2,000)	(1,000)
Closing fair value of scheme assets	7,798,000	6,519,000

The amount shown in the Statement of Financial Activities is:

	2019 £	2018 £
Changes in financial assumptions	(1,478,000)	973,000
Return on plan assets	487,000	256,000
Actuarial gains/(losses) on defined benefit pension schemes	(991,000)	1,229,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. Pension commitments (continued)

	2019	2018
	£	£
The amount shown in the Balance Sheet is:		
Present value of defined benefit obligation	(12,362,000)	(9,484,000)
Fair value of scheme assets	7,798,000	6,519,000
Defined benefit pension scheme liability	<u>(4,564,000)</u>	<u>(2,965,000)</u>

27. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	9,065	30,572
Later than 1 year and not later than 5 years	415	9,480
	<u>9,480</u>	<u>40,052</u>

28. Members' liability

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

29. Related party transactions

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

30. Teaching school trading account

	2019 £	2019 £	2018 £	2018 £
Income				
DIRECT INCOME				
Teaching school grant	56,500		88,459	
Other income	14,627		-	
Total direct income	<u>71,127</u>		<u>88,459</u>	
Total income		71,127		88,459
Expenditure				
DIRECT EXPENDITURE				
Direct staff costs	36,780		36,931	
Other direct costs	10,053		1,172	
Total direct expenditure	<u>46,833</u>		<u>38,103</u>	
Other expenditure				
Other support costs	2,885		-	
Total other expenditure	<u>2,885</u>		<u>-</u>	
Total expenditure		49,718		38,103
Transfers between funds excluding depreciation		(75,804)		-
(Deficit)/surplus from all sources		(54,395)		50,356
Teaching school balances at 1 September 2018		54,395		4,039
Teaching school balances at 31 August 2019		-		54,395