

Company Registration Number: 09279884 (England & Wales)



ENGAGE, ENRICH, EXCEL ACADEMIES
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

ENGAGE, ENRICH, EXCEL ACADEMIES
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

SW Barker
J L Brill
D Camp
D Rehill

Trustees

J L Brill, Chair
N Elstub
J Green
J Lovell
D Harris
L Heywood
D Johnston
I Rennie (resigned 1 October 2019)
V Scannella
K Smith

Company registered number

09279884

Company name

Engage, Enrich, Excel Academies

Principal and registered office

Ravenscote Junior School, Old Bisley Road, Frimley, Camberley, Surrey, GU16 9RE

Company secretary

Michelmores Secretaries Limited

Chief executive officer

Mr D Harris

Senior management team

M Bark, Chief Operating Officer
D Harris, Ravenscote Junior School Executive Headteacher/CEO
K Hing, Westfield Headteacher (from 1st July 2018)
S Kennedy, Cambridge Primary School (from 1st September 2018)
A Merritt, Maybury Primary School Headteacher (from 1st June 2019)
N Wright, South Camberley Headteacher (from 1st September 2018)

Independent auditor

James Cowper Kreston, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers

Lloyds Bank Plc, Queen Square, Wolverhampton, WV1 1TF

Solicitors

Michelmores LLP, Woodwater House, Pynes Hill, Exeter, EX2 5WR

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their Annual Report together with the financial statements and auditor's report, of the charitable company for the year 1 September 2018 to 31 August 2019. The Annual Report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust operates 5 schools in North West Surrey and Aldershot, Hampshire. All the schools are primary schools.

- The Cambridge Primary School (CPS)
- Maybury Primary School (MPS)
- Ravenscote Junior School (RJS)
- South Camberley Primary and Nursery School (SCPNS)
- Westfield Primary School (WPS).

The Multi Academy Trust was incorporated on 1st December 2014, comprising of Ravenscote Junior school only. On the 1st December 2017 South Camberley Primary and Nursery converted and joined the Trust. On 1st July 2018, Westfield Primary School converted and joined the Trust.

The Cambridge Primary School joined the trust when it opened on 1st September 2018 and Maybury Primary School joined on 1st June 2019.

The Schools have a combined pupil capacity of 2,090 and had a roll of 2,019 in the school summer census 2019. This is for the age range 2 to 11 years old.

The Board would like to welcome the new staff of The Cambridge Primary School in Aldershot, and Maybury Primary School.

This year has been a significant year for Engage, Enrich, Excel Academies (EEEA) and the Board would like to thank all the staff and governors within our schools who have helped to develop the Multi Academy Trust (MAT) and work with the families within our care.

The Board have strengthened the central team with the appointments of a Chief Operating Officer and a Finance Manager. To develop the Trust's capacity, the Board have appointed a headteacher at Ravenscote Junior School to work alongside the Executive Headteacher of Ravenscote.

Structure, governance and management

Constitution

The Multi Academy Trust is a charitable company limited by guarantee (company registration number 09279884)

The charitable company's Trust Deed is the primary governing document of the Multi Academy Trust.

The Trustees of Engage, Enrich, Excel Academies are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served during the year are included in the reference and administrative details on page 1.

The principal object of the Multi Academy Trust is 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 and developing schools offering a broad and balanced curriculum.

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Members' Liability

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

Method of Recruitment and Appointment or Election of Trustees

The management of the Multi Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are instructed to follow the Code of Conduct issued annually. New Trustees are provided with a mentor during their first year of their term of office, and an induction programme has been developed and documented.

Organisational Structure

The governance structure consists of 4 levels. The Members ensure the Trustees from the Multi Academy Trust Board are operating with the aims of the Multi Academy Trust (MAT). Under the MAT Board Trustees, each School has a Local Advisory Committee to oversee the running of the School and they then operate their own sub-committees.

Each School's Local Advisory Committee has its own powers under a scheme of delegation designated by the Trustees and every level of governance operates within the Multi Academy Trust's agreed 'Terms of Reference'.

The Board of Trustees has considered its role thoughtfully and decided that the role of the Trustees is to approve the strategic direction and objectives of the Charitable Company and monitor its progress towards these objectives.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Charitable Company by use of budgets and making major decisions about the direction of the Charitable Company, including capital expenditure and senior staff appointments.

The Charitable Company has established a management structure to enable its efficient running. The structure consists of three levels:

- The Board (including the CEO) supported by the Chief Operating Officer;
- the Senior Management Team which consists of the Headteachers of each School within the MAT and the Chief Operating Officer;
- each school has its own Headteacher who manages their own school's Senior leadership Team (SLT).

The Trust operates a National Support School which operates from Ravenscote Junior School. The National Support School shares 'best practice' and delivers 'School Improvement' to schools inside and outside the MAT.

There are currently the following committees for the Multi Academy Trust:

Audit and Risk Committee

The Audit and Risk Committee meets at least four times each year. The Audit and Risk Committee provides scrutiny, oversight and assurance of risk management, internal control and governance procedures to the CEO,

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as Accounting Officer, and to the Board including:

- The review of EEEA's annual report and financial statements, recommending them to the Board for approval
- EEEA's financial and accounting policies, processes and practices, including IT
- EEEA's internal control systems including policies for addressing fraud and arrangements for internal audit; in particular to appoint internal auditors, approve their work plan and review their reports and responses of management
- The implementation of recommendations from internal and external audit reports
- The arrangements for controlling and reporting EEEA expenditure
- EEEA's assessment and management of risk, including failure to comply with laws and regulation, reporting its views on EEEA's risk management to the Board
- The results of annual audit by the external auditors, including their management letter and the response by management
- Corporate governance arrangements, reporting annually to the Board on the Committee's view of the governance of EEEA and on the Committee's own effectiveness
- Reviewing and recommending any necessary changes to financial policies at least once a year
- Approving any significant changes to insurance cover that increase risk to the EEEA; and
- To approve any changes to EEEA's internal audit arrangements

Growth and Strategy Committee

The Growth and Strategy Committee meets at least twice each year.

The Growth and Strategy Committee:

- reviews the local school's landscape with updates on known development plans and the status of engagement as submitted by the CEO
- reviews and approves school engagement and recommend to the board the suitability of schools to join the Trust
- reviews and approves the EEEA 5-year growth plan as submitted by the CEO
- reviews and provide scrutiny of EEEA processes for managing and controlling growth in particular the integration of schools into the Trust
- reviews and approves growth targets prior to discussions with the Regional Schools Commissioner
- reviews the capacity of Trust staff at each point of growth
- ensures the risk register reflects the committees work

The Human Resources Committee

The role of the MAT HR Committee is to scrutinise policies, review performance and make recommendations to the Board in accordance with agreed Terms of Reference. The HR Committee meets at least three times a year.

The Board has the following responsibilities with regard to HR:

- To ratify all HR policies for the MAT and oversee recruitment, CPD and other HR processes for all staff
- The approval of School staffing structures and appointments of senior staff at the schools, within the school's budget To determine the Pay Policy for the MAT and ratify appropriate salary ranges and oversee performance and pay of Trust staff and all Headteachers in the Trust
- To approve annual pay progression for the CEO (by 31 December at the latest), taking account of the recommendation made by the Performance Review Panel, following the annual review

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- To oversee the work of the Staff Disciplinary/Dismissal Committee and the Staff Appeals Committee (including pay appeals)

Connected Organisations, Including Related Party Relationships

The following organisations are connected organisations:

- Ravenscote Parent Teacher Association (PTA). The PTA raise money to enhance the education of the Ravenscote pupils. They are a charitable organisation and their registered charity number is 277432
- Friends of South Camberley (PTA). The PTA raise money to enhance the education of the South Camberley Primary and Nursery Pupils. They are a charitable organisation and their registered charity number is 1132294
- Friends of Westfield (PTA). The PTA raise money to enhance the education of the Westfield pupils. They are a charitable organisation and their registered charity number is 1186049.

Trustees' Indemnities

The Multi Academy Trust has opted into the Department of Education's risk protection assurance (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 MAT 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.

Objectives and Aims

Objectives and Aims

The primary objective and activity of the MAT is the operation of the Schools to provide education for children of different abilities between the ages of 2 to 11. The Multi Academy Trust is an inclusive MAT which welcomes applications from all pupils, as outlined by the MAT's admissions policies.

In accordance with the Articles the MAT's objective is 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 and carry on, managing design and the built environment and their principal applications.

The key aims for the MAT are:

1. Exceptional outcomes for all – to ensure all Schools help all pupils to be the best they can be
2. Long lasting impact – to embed change and drive ambition
3. Equality and inclusion – to value all people as individuals and treat everyone with respect
4. To provide a high-quality primary trust

Objectives, Strategies and Activities

The main objectives of the Multi Academy Trust during the period ended 31 August 2019 are summarised below.

Our overall objectives can be broken down as follows:

- Achieve consistently high standards of teaching and learning
- Manage and develop our staff so we ensure we invest in our 'social capital'
- Develop and provide leadership capacity and support
- Strengthen governance at every level to ensure our schools continue to improve
- Achieve best value in service delivery especially where partnership working can add value

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- To work with other schools to provide support and develop our curriculum and pupils' outcomes
- To engage with key stakeholders, for example the Regional Schools Commissioner and recruit Trustees via School Ambassadors
- To engage discussions with other schools that may be interested in joining the MAT

Public Benefit

The Multi Academy Trust's purpose is to advance for public benefit, education as described in the principal activities above. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission in exercising their duties.

Main Activities Undertaken to Further the Charity's Purpose for Public Benefit

Through our governance model we ensure we are transparent and follow clear lines of accountability.

The key activities for achieving our objectives are summarised below:

- Consistent and regular monitoring has resulted in high standards in teaching and learning. Members of the school improvement team undertake regular reviews and assessments of performance and outcomes
- The development of quality assurance systems to help develop capacity. This system is being developed across other schools interested in joining the Trust and schools further afield
- Introduced a new MIS system across the MAT to allow for consistent reporting and staff development
- Introduced a new electronic platform to strengthen governance across the MAT
- Strengthen the MAT governance with the committee structure at Trust level
- An independent staff survey allowed the MAT to examine the development of staff and the effectiveness of leadership and management
- Termly financial reviews enabled the MAT to monitor our finances and account for cost efficiencies
- As a National Support School, Ravenscote Junior worked with 3 different schools to develop their standards, this work helped improve our curriculum and develop our well-being agenda
- As a Board we have developed our key performance indicator sheets and developed our systems for recruiting new Trustees
- Our due diligence and integration documents have developed and enabled us to make clear decisions on schools wanting to join the Trust
- We successfully planned for the completion and opening of the Cambridge Primary School

Volunteers

Our volunteers associated with our Trust are PTA (Parent Teacher Association). They follow our School guidelines and enable the PTA to raise charitable funds which are separate from these accounts.

Going Concern

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

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Achievements and Performance

Academic Performance

	CPS	MPS	RJS	SCPNS	WPS	Nation av
School Capacity	30	264	620	720	510	279
Nos on Roll	27	261	622	711	461	-
Nursery Provision		64				-
Nos in Nursery		64		104		-
% Absence	3.8%	5.4%	2.8%	4.1%	4.3%	4.0%
EYFS GLD	73	72		80	75	71
Y1 Phonics		86		81	81	82
KS1 EX+						
Reading		65		64	67	76
Writing		55		61	59	70
Maths		61		67	70	76
KS1 GDS						
Reading		9		14	16	
Writing		6		3	13	
Maths		13		8	16	
KS2 EX+						
Reading		82	86	58	67	73
Writing		82	88	75	78	78
Maths		73	92	63	78	79
GPS		95	92	66	74	78
RWM		64	80	49	60	65
KS2 GDS						
Reading		23	34	24	26	27
Writing		18	31	9	10	20
Maths		23	41	14	31	27
GPS		41	61	24	47	36
RWM		14	18	5	5	11
Scaled Scores						
Reading		102.0	106.2	102.5	101.4	104.4
Maths		102.0	108.2	102.0	102.6	105.0
Grammar		106.0	111.0	104.2	105.1	106.3
Progress Score						
Reading		+2.2	-1.84	-1.42	+0.3	0
Writing		+2.4	-1.32	-1.47	-0.8	0
Maths		+0.6	-0.12	-2.53	+0.7	0

Key:

EYFS GLD	Early years Good Level of Development
Y1	Year 1
KS1	Key Stage 1
KS2	Key Stage 2
RWM	Reading, Writing and Mathematics combined
EX+	Expected Attainment and Above
GDS	Great Depth Attainment
-	Indicate that the school does not have children at this age

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Key performance Indicators

During the year the Multi Academy Trust achievements were as follows:

1. To continue to meet the objects of the MAT
2. To complete our fourth year as a National Support School having fulfilled our obligations with respect to our plan
3. To review and update any relevant policies relating to the MAT for 2017/2018
4. To continue the tight financial management of the MAT
5. To embed the MAT structures and systems following conversion
6. To be successful with our planning and completion of the Cambridge Primary School
7. To continue to develop our leadership capacity and improve the standard of teaching
8. For Maybury Primary School to convert and join the Trust – 1st June 2019
9. To appoint a Chief Operating Officer and Finance Manager
10. To work with 3 schools in Woking and help develop their effectiveness. One of the schools was inspected in December 2018 and retained its good status
11. To develop a skill led Trustee Board
12. To successfully open the Cambridge Primary School in September 2018
13. To grow the Cambridge Primary School by 2 classes for September 2019
14. To have positive MAT Review by the Regional Schools Commissioner
15. To undertake a pilot Ofsted inspection at RJS and develop processes and reporting

Financial Review

Review of Activities

During the year the MAT achievements were as follows:

- Ravenscote Junior School is a popular lettings venue
- Strong financial capacity, given government funding cuts
- Retention and development of key staff

Fundraising Activities/Income Generation

All Schools within the MAT follow the same financial policy. Income is generated within the Schools through a range of strategies which include:

- Before and After School Clubs
- Holiday Clubs
- Lettings
- School Consultancy Support
- Training courses for school leaders

Financial Risk Management Objectives and Policies

The main financial risks to which Engage, Enrich, Excel Schools is exposed, taking into account of the mitigations in place, relate to the risk of income shortfall due to the prospect of further government spending reductions affecting our general annual grant.

A risk also arises in relation to the defined benefit pension scheme in which the MAT currently has a pension deficit in four out of the five schools. This is being addressed through additional contributions.

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

Principal Risks and Uncertainties

The major risks to which the MAT is exposed are:

- Shortfalls in funding which may not have been anticipated
- Systems failures
- Falling roll
- Staffing shortages
- Changes in funding formulas
- Increases in support staff pay

Reserves Policy

The Trustees expect Academy Schools to maintain reserves at a level of at least 5% of general annual grant to cover future eventualities. Exceptions are approved by Trustees in the light of identified need.

Pay Policy for Key Management Personnel

The Pay Policy for key management personnel has been approved and is available on request. It is accessible on the EEEA's closed site and discussed regularly through the appropriate governance procedures.

Plans for Future Periods

Future Developments

The future plans for the MAT include the following objectives:

- To continue to engage with schools interested in joining the Trust
- To open up two reception classes at The Cambridge Primary School in Aldershot in September 2020
- To continue to develop positive stakeholder relationships in connection with the Cambridge Primary School
- To continue to develop the quality of progress and outcomes for the children in our care
- To review and embed all governance processes as we evolve
- For Byfleet Primary School, Woking to join the Trust (1st December 2019)
- To continue to work with community groups, to strengthen the links between school and home
- To continue to develop our due diligence and integration documentation as we incorporate new schools into the Trust
- To develop our governance structure and ensure all governance meetings take place during the day- this is linked to well-being
- To grow the number of schools in the Trust
- To have a positive MAT review with the Regional Schools Commissioner

Employee Involvement and Employment of the Disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The MAT carries out exit interviews and has adopted a procedure of upward feedback for senior management and the Trustees.

The Multi Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

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- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the Multi Academy Trust's Equal Opportunities Policy, the Multi Academy Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Multi Academy Trust's offices.

Disclosure of Information to Auditors

Insofar as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit-information and to establish that the charitable company's auditors are aware of that information.

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



J L Brill
Chair of Trustees

10/12/19

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GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring 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 Engage, Enrich, Excel Academies 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 6 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J L Brill, Chair	6	6
N Elstub	3	6
J Green	5	6
J Lovell	6	6
D Harris (Accounting Officer)	6	6
L Heywood	6	6
D Johnston	5	6
I Rennie	3	6
V Scannella	6	6
K Smith	3	6

We have invested considerable resource into recruiting skilled Trustees with the correct skill set. We believe that we have achieved this and continually monitor ourselves to ensure we maintain the desired profile.

The Board have developed our due diligence processes and this has proved highly effective in enabling the Trustees to make clear strategic decisions to develop the Trust. In this period, we maintained our committee structure for 2018/2019. The committees have provided the Board with key performance information. In 2019/2020 we are adjusting our committee structure by creating an Education and Well-Being committee. The role and responsibilities of the Growth and Strategy Committee will be taken back into the full Trustee Board.

The Board have devised a clear key performance indicator (KPI) document that enables us to access the effectiveness of Schools clearly and concisely. The KPI documents have been approved by all Trustees and are being shared with schools outside of the Trust for school improvement purposes. Documentation produced by the Board is enabling Trustees to self-evaluate the Trust governance.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Board implemented the committee structure last year and attendance for these committees was as follows for 2018/2019:

Audit & Risk

Trustee	Meetings attended	Out of a possible
D Harris (Accounting Officer)	5	5
L Heywood	5	5
D Johnston (Chair)	5	5
J Lovell	2	4
K Smith	4	5

Human Resources Committee

Trustee	Meetings attended	Out of a possible
J Brill	4	4
D Harris (Accounting Officer)	4	4
J Green (Chair)	4	4

Growth & Strategy Committee

Trustee	Meetings attended	Out of a possible
J Brill	2	2
N Elstob (Chair)	2	2
D Harris (Accounting Officer)	2	2
D Johnston	1	2
I Rennie	1	2
V Scannella	2	2

Review of value for money

As accounting officer, the CEO has responsibility for ensuring that the academy 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 Multi Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Multi Academy Trust has delivered improved value for money during the year by:

- Continuing to meet the objectives of the Trust
- Completing our fourth year as a National Support School, having fulfilled our obligations with respect to our plan
- Reviewing and updating any relevant policies relating to the Trust for 2018/2019
- Maintaining and developing the teaching standards and the high outcomes achieved for the pupils at Key Stage 2 with an increased focus on the progress score
- Embedding the Trust structures and systems

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- Continuing to develop the leadership capacity and improve the standard of teaching. Central to this has been the development of a clear quality assurance system
- Ensuring that we are improving the quality of learning and teaching and making good progress from the pupil's starting points
- Developing the capacity of the Board
- Developing due diligence and integration documents to enable the Board to make effective decisions
- Developing relationships with interested schools

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Engage, Enrich, Excel Academies for the year 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 academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 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 academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Strictly Education 4s as internal auditor.

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

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- The recording of ESFA funding
- Fixed Assets
- Purchases
- Payroll
- Control Account & Bank Reconciliations
- VAT Reimbursement
- Sundry Debtors
- Creditors Control
- Month End Procedures
- Purchase Orders and Invoice Processing
- Purchases
- Lettings

On a quarterly basis, the Chief Operating Officer reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Internal assurance visits/reports are carried out by Strictly Education 4s. Strictly Education 4s has delivered the schedule of work as planned and provided comprehensive reports. A number of remedial issues were identified and have been addressed.

Review of effectiveness

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

- the work of the Internal Auditor;
- the work of the External Auditors;
- The financial management and governance self-assessment process;
- The work of the Chief Operating Officer and Executive Managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of Trustees on and signed on their behalf by:



J L Brill
Chair of Trustees

10/12/19



D P Harris
Accounting Officer

10/12/19

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Engage, Enrich, Excel Academies I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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



DP Harris
Accounting Officer
Date: 10/12/19

ENGAGE, ENRICH, EXCEL ACADEMIES
(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 and signed on its behalf by:



J L Brill
Chair of Trustees
Date:

10/12/19 .

ENGAGE, ENRICH, EXCEL ACADEMIES
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ENGAGE, ENRICH, EXCEL ACADEMIES**

Opinion

We have audited the financial statements of Engage, Enrich, Excel Academies (the 'academy') 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'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, the Charities SORP 2015 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

ENGAGE, ENRICH, EXCEL ACADEMIES
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ENGAGE, ENRICH, EXCEL ACADEMIES (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 Auditor's 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

ENGAGE, ENRICH, EXCEL ACADEMIES
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ENGAGE, ENRICH, EXCEL ACADEMIES (CONTINUED)**

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Alexander Peal BSc (Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

Date: 12 December 2019

ENGAGE, ENRICH, EXCEL ACADEMIES
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ENGAGE,
ENRICH, EXCEL ACADEMIES AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 May 2019 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 Engage, Enrich, Excel Academies 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 Engage, Enrich, Excel Academies and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Engage, Enrich, Excel Academies 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 Engage, Enrich, Excel Academies and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Engage, Enrich, Excel Academies's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Engage, Enrich, Excel Academies's funding agreement with the Secretary of State for Education dated 1 December 2014 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.

ENGAGE, ENRICH, EXCEL ACADEMIES
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ENGAGE,
ENRICH, EXCEL ACADEMIES 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's income and expenditure.

As a firm we have taken the decision to use the Mercia work programme for regularity assurance work as approved by the ICAEW. The work undertaken to draw our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry;
- Identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.



Reporting Accountant

James Cowper Kreston
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 12 December 2019

ENGAGE, ENRICH, EXCEL ACADEMIES
(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 £	As restated Total funds 2018 £
Income from:						
Donations and capital grants	3	304,222	(109,224)	3,918,690	4,113,688	19,765,412
Charitable activities		-	8,614,997	-	8,614,997	5,060,662
Other trading activities		137,870	141,176	-	279,046	280,416
Investments	6	-	867	-	867	468
Total income		442,092	8,647,816	3,918,690	13,008,598	25,106,958
Expenditure on:						
Charitable activities		503,636	8,874,073	701,847	10,079,556	5,827,506
Total expenditure		503,636	8,874,073	701,847	10,079,556	5,827,506
Net (expenditure)/income		(61,544)	(226,257)	3,216,843	2,929,042	19,279,452
Transfers between funds	17	(48,857)	(98,542)	147,399	-	-
Net movement in funds before other recognised gains/(losses)		(110,401)	(324,799)	3,364,242	2,929,042	19,279,452
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(1,106,000)	-	(1,106,000)	(906,000)
Net movement in funds		(110,401)	(1,430,799)	3,364,242	1,823,042	18,373,452
Reconciliation of funds:						
Total funds brought forward		240,732	(1,507,161)	25,833,176	24,566,747	6,193,295
Net movement in funds		(110,401)	(1,430,799)	3,364,242	1,823,042	18,373,452
Total funds carried forward		130,331	(2,937,960)	29,197,418	26,389,789	24,566,747

The notes on pages 26 to 55 form part of these financial statements.

ENGAGE, ENRICH, EXCEL ACADEMIES
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09279884

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	28,995,097	25,776,105
		28,995,097	25,776,105
Current assets			
Debtors	15	399,588	223,778
Cash at bank and in hand		1,809,686	1,274,506
		2,209,274	1,498,284
Creditors: amounts falling due within one year	16	(873,582)	(643,642)
Net current assets		1,335,692	854,642
Total assets less current liabilities		30,330,789	26,630,747
Defined benefit pension scheme liability	22	(3,941,000)	(2,064,000)
Total net assets		26,389,789	24,566,747
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	29,197,418	25,833,176
Restricted income funds	17	1,003,040	556,839
		30,200,458	26,390,015
Restricted funds excluding pension asset	17	30,200,458	26,390,015
Pension reserve	17	(3,941,000)	(2,064,000)
Total restricted funds	17	26,259,458	24,326,015
Unrestricted income funds	17	130,331	240,732
Total funds		26,389,789	24,566,747

The financial statements on pages 23 to 55 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

J L Brill
(Chair of Trustees)


10/12/19

ENGAGE, ENRICH, EXCEL ACADEMIES
(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 provided by operating activities	19	371,788	690,645
Cash flows from investing activities	20	163,392	(8,821)
Change in cash and cash equivalents in the year		535,180	681,824
Cash and cash equivalents at the beginning of the year		1,274,506	592,682
Cash and cash equivalents at the end of the year	21	<u><u>1,809,686</u></u>	<u><u>1,274,506</u></u>

ENGAGE, ENRICH, EXCEL ACADEMIES
(A Company Limited by Guarantee)

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), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

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

Engage, Enrich, Excel Academies meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Grants**

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

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

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

• **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.

ENGAGE, ENRICH, EXCEL ACADEMIES
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Transfer of existing academies into the academy**

Where assets and liabilities are received on the transfer of an existing academy into the academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy. An equal amount of income is recognised for the transfer of an existing academy into the academy within 'Income from Donations and Capital Grants' to the net assets acquired.

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

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

ENGAGE, ENRICH, EXCEL ACADEMIES
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land 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:

Leasehold land	- 125 years straight line
Leasehold property	- 50 years straight line
Furniture and equipment	- 10 years straight line
Computer equipment	- 3 years straight line
Motor vehicles	- 5 years straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.7 Interest receivable

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

1.8 Operating leases

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

1.9 Debtors

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

ENGAGE, ENRICH, EXCEL ACADEMIES
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.10 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.

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.13 Taxation

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

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

1.14 Pensions

Retirement benefits to employees of the academy 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 in such a way that the pension cost is a

ENGAGE, ENRICH, EXCEL ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.14 Pensions (continued)

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 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.

1.15 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from The Cambridge Primary School and Maybury Primary School to the academy have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.

1.16 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy 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.

ENGAGE, ENRICH, EXCEL ACADEMIES
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2. Critical accounting estimates and areas of judgment

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

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 22, 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:

Depreciation

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issue such as the remaining life of the asset and projected disposal values.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	304,222	3,898	22,313	330,433	177,303
Transfer from Local Authority on academy conversion	-	(113,122)	3,623,059	3,509,937	19,556,585
Capital grants	-	-	273,318	273,318	31,524
	<u>304,222</u>	<u>(109,224)</u>	<u>3,918,690</u>	<u>4,113,688</u>	<u>19,765,412</u>
Total 2018	<u>252,027</u>	<u>(202,306)</u>	<u>19,715,691</u>	<u>19,765,412</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General annual grant (GAG)	7,026,296	7,026,296	4,168,946
Other DfE/ESFA grants	190,937	190,937	72,274
Pupil premium	467,709	467,709	243,521
UIFSM	146,256	146,256	69,484
Other government grants	-	-	37,140
	<u>7,831,198</u>	<u>7,831,198</u>	<u>4,591,365</u>
Other government grants			
Special educational needs (SEN)	213,168	213,168	91,439
Other LA income	304,496	304,496	267,854
Children centre	249,909	249,909	92,619
	<u>767,573</u>	<u>767,573</u>	<u>451,912</u>
Other funding			
Staff cover insurance support	14,441	14,441	6,440
Non government revenue	1,785	1,785	10,945
	<u>16,226</u>	<u>16,226</u>	<u>17,385</u>
	<u><u>8,614,997</u></u>	<u><u>8,614,997</u></u>	<u><u>5,060,662</u></u>

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5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Before & after school clubs	56,158	118,122	174,280	192,261
Hire of facilities	81,712	2,683	84,395	55,475
Professional services - consultancy	-	20,371	20,371	32,680
	<u>137,870</u>	<u>141,176</u>	<u>279,046</u>	<u>280,416</u>
Total 2018	<u>245,297</u>	<u>35,119</u>	<u>280,416</u>	

6. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	-	867	867	468
Total 2018	<u>468</u>	<u>-</u>	<u>468</u>	

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7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	As restated Total 2018 £
Academy's educational operations:					
Direct costs	5,994,732	-	811,336	6,806,068	4,130,352
Support costs	1,202,987	775,833	1,294,668	3,273,488	1,697,154
	<u>7,197,719</u>	<u>775,833</u>	<u>2,106,004</u>	<u>10,079,556</u>	<u>5,827,506</u>
Total 2018 as restated	<u>4,514,846</u>	<u>250,615</u>	<u>1,062,045</u>	<u>5,827,506</u>	

8. Analysis of expenditure by activities

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £	As restated Total funds 2018 £
Academy's educational operations:	6,806,068	3,273,488	10,079,556	5,827,506
Total 2018 as restated	<u>4,130,352</u>	<u>1,697,154</u>	<u>5,827,506</u>	

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	As restated Total funds 2018 £
Staff costs	1,202,987	806,170
Depreciation	514,861	213,877
Technology costs	36,934	28,616
Recruitment and support	24,013	4,961
Maintenance of premises and equipment	446,339	84,791
Cleaning	142,920	79,953
Rent & rates	53,063	19,486
Energy costs	133,509	66,385
Insurance	73,978	46,606
Security and transport	10,191	1,836
Catering	236,381	98,584
Bank interest and charges	465	121
Other support costs	233,575	144,859
Governance costs	164,272	100,909
	<u>3,273,488</u>	<u>1,697,154</u>

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019 £	As restated 2018 £
Depreciation of tangible fixed assets	432,073	213,876
Fees paid to auditor for:		
- audit	8,000	12,770
- other services	1,600	2,560
	<u>441,673</u>	<u>229,206</u>

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10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	5,378,072	3,379,701
Social security costs	455,985	304,587
Pension costs	1,279,440	799,757
	<u>7,113,497</u>	<u>4,484,045</u>
Agency staff costs	84,222	30,801
	<u>7,197,719</u>	<u>4,514,846</u>

b. Non-statutory/non-contractual staff severance payments

During 2018, the Trust paid one member of staff £39,388 in a settlement agreement.

During 2019, no settlement agreements were paid to any members of staff.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	76	49
Management	20	14
Administration and support	156	103
	<u>252</u>	<u>166</u>

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10. Staff costs (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	-	1
In the band £110,001 - £120,000	1	-

e. Key management personnel

The key management personnel of the Multi Academy Trust comprise the Trustees and Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £428,616 (2018: £364,630).

11. Central services

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

- Administrative support to prospective new academies;
- Human resources;
- Financial services;
- Others as arising.

The academy charges for these services on the following basis:

Contribution rates are charged to the Academies on the basis of their annual statement. During the year, the following percentages were charged during the year/period:

Ravenscote Junior School - 3.5%
South Camberley Primary and Nursery School - 5%
Westfield Primary School - 3.5%
Maybury Primary School - 3.5%

Due to The Cambridge Primary School being a new school no central service was charged during the year.

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NOTES TO THE FINANCIAL STATEMENTS
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11. Central services (continued)

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Ravenscote Junior School	72,097	67,677
South Camberley Primary and Nursery School	130,249	86,574
Westfield Primary School	67,684	-
The Cambridge Primary School	-	-
Maybury Primary School	8,090	-
Total	278,120	154,251

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. 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 £
D Harris (Head Teacher and Accounting Officer)	Remuneration	110,000 - 115,000	95,000 - 100,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £192).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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

14. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Plant and machinery £	Total £
Cost or valuation				
At 1 September 2018	17,326,635	8,688,550	267,103	26,282,288
Additions	3,450,000	-	283,853	3,733,853
Transfers between classes	8,688,550	(8,688,550)	-	-
At 31 August 2019	<u>29,465,185</u>	<u>-</u>	<u>550,956</u>	<u>30,016,141</u>
Depreciation				
At 1 September 2018	406,722	-	99,461	506,183
Charge for the year	436,151	-	78,710	514,861
At 31 August 2019	<u>842,873</u>	<u>-</u>	<u>178,171</u>	<u>1,021,044</u>
Net book value				
At 31 August 2019	<u>28,622,312</u>	<u>-</u>	<u>372,785</u>	<u>28,995,097</u>
At 31 August 2018	<u>16,919,913</u>	<u>8,688,550</u>	<u>167,642</u>	<u>25,776,105</u>

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NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets (continued)

The brought forward land and buildings of £6,416,000 for Ravenscote Junior School were valued on 31 March 2014 and 31 March 2015. The value shown in these accounts is at 31 March 2015 as this is the date closest to the conversion date for the Academy and in the opinion of the Trustees more appropriate. The buildings are depreciated from that date. The land and buildings are held under a 125 year lease agreement commencing 1 December 2014 at a peppercorn rent.

On conversion from a locally maintained school to an academy trust, Westfield Primary School received land and buildings valued at £3,904,502 on a 125 year long term lease commencing 28 June 2018. The valuation was dated 31 March 2014 by Surrey County Council and this value was accepted by the Trustees as appropriate.

On conversion from a locally maintained school to an academy trust, South Camberley Primary School received land and buildings valued at £7,006,133 on a 125 year long term lease commencing 29 November 2017. The valuation was dated 31 March 2014 by Surrey County Council and this value was accepted by the Trustees as appropriate.

On completion of construction, The Cambridge Primary School received land and buildings valued at £8,688,550 on a 125 year long term lease from Hampshire County Council commencing 2 July 2018. The valuation was dated 2 July 2018 and performed by DVS Property Specialists.

On conversion from a locally maintained school to an academy trust, Maybury Primary School received land and buildings valued at £3,450,000 on a 125 year long term lease from Surrey County Council commencing 1 June 2019. The valuation was dated 13 March 2018 and performed by Bruton Knowles.

Contrary to previous practice depreciation has now been charged on long leasehold land. In addition to the current year charge, this has resulted in a prior year restatement to the brought forward depreciation charge of £118,170.

15. Debtors

	2019 £	2018 £
Other debtors	117,930	48,017
Prepayments and accrued income	281,658	175,761
	<u>399,588</u>	<u>223,778</u>

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16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	200,654	196,169
Other taxation and social security	129,849	220,843
Other creditors	234,629	599
Accruals and deferred income	308,450	226,031
	<u>873,582</u>	<u>643,642</u>
	2019 £	2018 £
Deferred income at 1 September 2018	113,680	10,910
Resources deferred during the year	148,641	113,680
Amounts released from previous periods	(113,680)	(10,910)
	<u>148,641</u>	<u>113,680</u>

At the balance sheet date the academy trust was holding funds £18,694 received in advance for rates relief and £100,311 for UIFSM.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	240,732	442,092	(503,636)	(48,857)	-	130,331
Restricted general funds						
MAT fund	170,104	3,798	(173,717)	236,526	-	236,711
General Annual Grant (GAG)	373,093	7,468,110	(6,786,232)	(335,068)	-	719,903
Pupil premium	-	467,709	(467,709)	-	-	-
SEN	-	213,168	(213,168)	-	-	-
Interest fund	896	867	-	-	-	1,763
UIFSM	-	146,256	(146,256)	-	-	-
Staff cover insurance	-	14,441	(14,441)	-	-	-
Childrens centre	12,746	249,909	(217,992)	-	-	44,663
Other Local authority	-	306,281	(306,281)	-	-	-
Other trading	-	120,805	(120,805)	-	-	-
Donations	-	3,898	(3,898)	-	-	-
Professional services	-	16,573	(16,573)	-	-	-
Pension reserve	(2,064,000)	(364,000)	(407,000)	-	(1,106,000)	(3,941,000)
	<u>(1,507,161)</u>	<u>8,647,815</u>	<u>(8,874,072)</u>	<u>(98,542)</u>	<u>(1,106,000)</u>	<u>(2,937,960)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Devolved Formula Capital assets	40,203	19,240	-	84,113	-	143,556
Devolved Formula Capital cash	24,010	90,266	(92,957)	63,286	-	84,605
Other capital	51,112	10,833	(36,674)	-	-	25,271
Other capital - cash	-	14,875	-	-	-	14,875
CIF cash	33,061	163,812	(94,030)	-	-	102,843
Inherited on conversion	25,672,481	3,619,664	(474,387)	-	-	28,817,758
PTA funding for minibus	12,309	-	(3,799)	-	-	8,510
	<u>25,833,176</u>	<u>3,918,690</u>	<u>(701,847)</u>	<u>147,399</u>	<u>-</u>	<u>29,197,418</u>
Total Restricted funds	<u>24,326,015</u>	<u>12,566,505</u>	<u>(9,575,919)</u>	<u>48,857</u>	<u>(1,106,000)</u>	<u>26,259,458</u>
Total funds	<u><u>24,566,747</u></u>	<u><u>13,008,597</u></u>	<u><u>(10,079,555)</u></u>	<u><u>-</u></u>	<u><u>(1,106,000)</u></u>	<u><u>26,389,789</u></u>

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

Restricted Funds

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy that has been provided to the Academy via the Education Skills and Funding Agency by the Department for Education. The General Annual Grant has been set up because the GAG must be used for the normal running costs of the academies.

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

The Start up grant was received on conversion to academy status to assist with the legal and administrative costs of setting up an academy.

The Pupil Premium fund represents the restricted pupil premium income received for the purposes of supporting children who have been eligible for free school meals at any point in the last six years. The relevant expenditure incurred is recorded through this fund.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

The SEN fund represents the specific funding received for named children with exceptional needs and the relevant expenditure is recorded against this.

The Other restricted income fund has been created to recognise all sundry sources of restricted income from various sources that are individually immaterial in value. The relevant restricted expenditure is then also recorded through this fund.

The Childrens' centre fund has been created to recognise all grant income received from the local authority to run the children centre on the Trust's premises. The centre run a wide variety of sessions and staff also deliver sessions and courses in its community. The team work closely with other agencies such as Health and Children's Services, for example 'Paediatric First Aid' sessions/Monthly 'Introduction to Family Foods' sessions/Asian Women's Group/Breastfeeding Support/Baby Clinic".

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

Transfers between funds include an adjustment of £258,612 to correct classification differences included in brought forward funds.

Restricted Fixed Asset Funds

The Inherited fixed assets fund has been set up to recognise the tangible assets gifted to the Multi Academy Trust from a joining school upon conversion which represent the school site including the leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

Devolved formula capital fund represents grants from the local authority for capital maintenance of the school site. This is based on student numbers.

The Other capital fund has been created to recognise all sundry sources of restricted fixed asset income from various sources that are individually immaterial in value. The relevant restricted fixed asset expenditure is then also recorded through this fund.

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17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Ravenscote Junior School	284,194	399,102
South Camberley Primary and Nursery School	238,860	166,292
Westfield Primary School	376,426	62,073
The Cambridge Primary School	27,424	-
Maybury Primary School	36,866	-
MAT central fund	169,601	170,104
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,133,371	797,571
Restricted fixed asset fund	29,197,418	25,833,176
Pension reserve	(3,941,000)	(2,064,000)
	<hr/>	<hr/>
Total	26,389,789	24,566,747
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Ravenscote Junior School	1,840,485	238,324	182,029	572,170	2,833,008	2,345,132
South Camberley Primary and Nursery School	2,194,919	569,447	219,897	554,315	3,538,578	2,640,926
Westfield Primary School	1,577,303	255,412	162,362	395,592	2,390,669	348,571
The Cambridge Primary School	143,243	24,847	13,471	79,517	261,078	-
Maybury Primary School	231,411	33,757	9,320	26,046	300,534	-
MAT central fund	7,374	81,199	9,096	143,159	240,828	279,000
Academy	5,994,735	1,202,986	596,175	1,770,799	9,564,695	5,613,629

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	374,848	497,792	(458,677)	(173,231)	-	240,732
Restricted general funds						
MAT fund	81,115	110,434	(175,696)	154,251	-	170,104
General Annual Grant (GAG)	4,387	4,168,946	(3,800,240)	-	-	373,093
Pupil premium	-	243,521	(243,521)	-	-	-
SEN	-	91,439	(91,439)	-	-	-
Interest fund	896	-	-	-	-	896
Other ESFA grants	-	72,274	(64,466)	(7,808)	-	-
UIFSM	-	69,484	(69,484)	-	-	-
Staff cover insurance	-	6,440	(6,440)	-	-	-
Childrens centre	-	178,439	(165,693)	-	-	12,746
Other Local authority	-	178,799	(178,799)	-	-	-
Other trading	-	2,439	(2,439)	-	-	-
Donations	-	13,874	(13,874)	-	-	-
Professional services	-	22,246	(22,246)	-	-	-
Other government	-	37,140	(37,140)	-	-	-
Pension reserve	(577,000)	(302,000)	(279,000)	-	(906,000)	(2,064,000)
	<u>(490,602)</u>	<u>4,893,475</u>	<u>(5,150,477)</u>	<u>146,443</u>	<u>(906,000)</u>	<u>(1,507,161)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Restricted fixed asset funds						
Devolved Formula Capital assets	22,327	-	(624)	18,500	-	40,203
Devolved Formula Capital cash	10,986	31,524	(4,475)	(14,025)	-	24,010
Other capital	29,627	-	(828)	22,313	-	51,112
CIF cash	33,061	-	-	-	-	33,061
Inherited on conversion	6,200,385	19,684,167	(212,071)	-	-	25,672,481
PTA funding for minibus	12,663	-	(354)	-	-	12,309
	<u>6,309,049</u>	<u>19,715,691</u>	<u>(218,352)</u>	<u>26,788</u>	<u>-</u>	<u>25,833,176</u>
Total Restricted funds	<u>5,818,447</u>	<u>24,609,166</u>	<u>(5,368,829)</u>	<u>173,231</u>	<u>(906,000)</u>	<u>24,326,015</u>
Total funds	<u><u>6,193,295</u></u>	<u><u>25,106,958</u></u>	<u><u>(5,827,506)</u></u>	<u><u>-</u></u>	<u><u>(906,000)</u></u>	<u><u>24,566,747</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	28,995,097	28,995,097
Current assets	130,331	1,876,622	202,321	2,209,274
Creditors due within one year	-	(873,582)	-	(873,582)
Provisions for liabilities and charges	-	(3,941,000)	-	(3,941,000)
Total	<u>130,331</u>	<u>(2,937,960)</u>	<u>29,197,418</u>	<u>26,389,789</u>

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18. Analysis of net assets between funds (continued)

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	-	-	25,776,105	25,776,105
Current assets	244,689	1,196,524	57,071	1,498,284
Creditors due within one year	(3,957)	(639,685)	-	(643,642)
Provisions for liabilities and charges	-	(2,064,000)	-	(2,064,000)
Total	240,732	(1,507,161)	25,833,176	24,566,747

19. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	2,929,042	19,279,452
Adjustments for:		
Depreciation	514,861	213,876
Capital grants from DfE and other capital income	(273,318)	(31,524)
Interest receivable	(867)	(468)
Defined benefit pension scheme obligation inherited	364,000	-
Defined benefit pension scheme cost less contributions payable	407,000	279,000
Increase in debtors	(175,810)	(174,780)
Increase in creditors	229,940	681,674
Assets inherited from local authority on conversion	(3,623,060)	(19,556,585)
Net cash provided by operating activities	371,788	690,645

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20. Cash flows from investing activities

	2019	2018
	£	£
Dividends, interest and rents from investments	867	468
Purchase of tangible fixed assets	(110,793)	(40,813)
Capital funding received from sponsors and others	273,318	31,524
Net cash provided by/(used in) investing activities	163,392	(8,821)

21. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	1,809,686	1,274,506
Total cash and cash equivalents	1,809,686	1,274,506

22. Pension commitments

The academy'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 Surrey County Council and Hampshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £124,096 were payable to the schemes at 31 August 2019 (2018 - £nil) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £535,139 (2018 - £335,088).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £515,000 (2018 - £330,777), of which employer's contributions totalled £398,000 (2018 - £253,674) and employees' contributions totalled £117,000 (2018 - £77,103). The agreed contribution rates for future years are 20.9 per cent for employers and 5.5-12.5 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.

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22. Pension commitments (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.5	2.6
Rate of increase for pensions in payment/inflation	2.0	2.3
Discount rate for scheme liabilities	1.9	2.8

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	23.1	22.5
Females	25.8	24.6
<i>Retiring in 20 years</i>		
Males	24.7	24.1
Females	27.6	26.4

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	3,048,000	2,211,120
Corporate bonds	773,000	522,070
Property	343,000	214,970
Cash and other liquid assets	128,000	122,840
Other	2,000	-
Total market value of assets	4,294,000	3,071,000

The actual return on scheme assets was £243,000 (2018 - £147,000).

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

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

	2019 £	2018 £
Current service cost	(702,000)	(489,000)
Past service cost	(39,000)	-
Interest income	96,000	50,000
Interest cost	(160,000)	(94,000)
Total amount recognised in the Statement of Financial Activities	(805,000)	(533,000)

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

	2019 £	2018 £
At 1 September	5,135,000	1,170,000
Current service cost	702,000	489,000
Past service costs	39,000	-
Interest cost	160,000	94,000
Employee contributions	117,000	77,000
Actuarial losses	1,254,000	1,003,000
Benefits paid	(8,000)	(7,000)
Upon conversion	836,000	2,309,000
At 31 August	8,235,000	5,135,000

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

	2019 £	2018 £
At 1 September	3,071,000	593,000
Actuarial gains	148,000	97,000
Employer contributions	398,000	254,000
Employee contributions	117,000	77,000
Benefits paid	(8,000)	(7,000)
Upon conversion	472,000	2,007,000
Return on plan assets (excluding net interest on the net defined pension liability)	96,000	50,000
At 31 August	4,294,000	3,071,000

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23. 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.

24. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

25. Controlling party

The ultimate controlling party is that of its trustees as detailed on page 1 of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
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26. Transfer of academies into the academy

The Cambridge Primary School

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Plant and machinery	128,216	128,216
Pensions		
Pensions - pension scheme assets	7,000	7,000
Pensions - pension scheme liabilities	(11,000)	(11,000)
Net assets	<u>124,216</u>	<u>124,216</u>

Maybury Primary School

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Long-term leasehold property	3,450,000	3,450,000
Plant and machinery	41,448	41,448
Pensions		
Pensions - pension scheme assets	465,000	465,000
Pensions - pension scheme liabilities	(825,000)	(825,000)
Net assets	<u>3,131,448</u>	<u>3,131,448</u>

