

Company Registration Number: 08561049 (England & Wales)

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



EDEN ACADEMY TRUST LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	P Hart P Ingham M Sumpter
Directors	P Hart N Nottingham, Accounting Officer M Sumpter G Danby (resigned 18 October 2020) Dr S A Paul P Gowland P Ingham, Chair S Saint A Clark G Slimings H Haygarth (appointed 1 February 2020)
Company registered number	08561049
Company name	Eden Academy Trust
Principal and registered office	Stranton Academy Southburn Terrace Hartlepool TS25 1SQ
Senior management team	N Nottingham, Executive Headteacher E Killeen, Headteacher P Pritchard, Headteacher K Grant, Head of School
Independent auditors	Waltons Clark Whitehill Limited Chartered Accountants Maritime House Harbour Walk The Marina Hartlepool TS24 0UX
Bankers	National Westminster Bank PLC 135 Bishopsgate London EC2M 3UR
Solicitors	Tilly Bailey & Irvine LLP 12 Evolution Wynyard Park Wynyard TS22 5TB

EDEN ACADEMY TRUST LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The Directors confirm that the annual report and financial statements of the academy comply with current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust currently operates 3 primary academies in Hartlepool. It has a pupil capacity of 365 plus 52 nursery places at Stranton, 210 plus 52 nursery places at Eskdale and 315 plus 52 nursery places at Jesmond Gardens. There was a number on roll of 306 (including nursery) at Stranton, 247 (including nursery) at Eskdale and 348 (including nursery) at Jesmond Gardens.

STRUCTURE GOVERNANCE AND MANAGEMENT

• **Constitution**

Eden Academy Trust Limited (formerly Stranton Academy Trust) is a charitable company limited by guarantee and exempt charity (registration number 08561049). The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The academy is constituted under a Memorandum and Articles of Association dated 7 June 2013 and amended 29 July 2016.

Details of the Directors who served during the year, and to the date these financial statements are approved are included in the Reference and administrative details on page 1.

• **Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one 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 Directors**

The management of the Trust is the responsibility of the Directors who are elected and co-opted under the terms of the Memorandum of Association.

The members of the Trust comprise the signatories to the Memorandum and Articles of Association and any person appointed under Article 15A provided that at any time the minimum number shall not be less than 3.

The number of Directors as set out in the Articles of Association and Funding Agreement shall not be less than 3. Subject to Articles 48-49 and 53, the Trust shall have the following Directors:

- Up to 10 directors appointed under Article 50
- The Chief Executive Officer, where one is appointed;
- A minimum of 2 Parent Directors appoint under Articles 53-56D.

The Trust may also have any co-opted Director appointed under Article 58.

The members may appoint by ordinary resolution up to 10 Directors.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

The total number of Directors including the Chief Executive Officer if they so choose to act as a Director under Article 57 who are employees of the Trust shall not exceed one third of the total number of Directors.

• **Policies adopted for the induction and training of Directors**

During the year 2019/20 the Directors held five meetings. Following their appointment/election new Trustees/Directors/Governors will receive an induction to their role from the Chair of Directors and Executive Headteacher. This will include a tour of the Academy Trust and the opportunity to meet members of the Senior Leadership Team, staff and pupils.

Training and induction will be dependent on their existing experience. Eden Academy Trust Limited is committed to providing training opportunities so as to enable Directors to undertake their role more effectively, and provides them with copies of policies, procedures, minutes, accounts, budgets, plans and other documentation. Training is also offered through the Governors services for all Directors and Governors. Following the success of the first Trust wide Professional Development Day on 3rd September 2018 which included all Directors and Governors, a similar event was held on 2nd September 2019. Unfortunately, due to COVID-19 the Trust had to cancel the Trust wide PD Day that had been planned for early September 2020. We will however, be looking to hold similar events in the future as and when it is safe to do so.

• **Organisational structure**

Eden Academy Trust Limited is made up of a Board of Directors, with two subcommittees, one for Resources and one for Achievement. Each school within the Trust has its own separate governing body and further subcommittees for finance, each have their own delegated powers. The Headteacher of each school also has delegated powers.

• **Arrangements for setting pay and remuneration of key management personnel**

The Trust has adopted the local authority pay policy, on all staffing (teaching and support). All teaching and leadership posts are appointed to in accordance with the School Teachers Pay and Conditions (STPC) document. All non-teaching posts are evaluated by the local authority to ensure the grading to the posts is accurate. This also negates the chance of equal pay claims.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

• **Trade union facility time**

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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OBJECTIVES AND ACTIVITIES

• **Objects and aims**

The objects as set out in the governing document are "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them or 16 to 19 Academies offering a curriculum appropriate to the needs of its students or schools specially organised to make special educational provision for pupils with Special Educational Needs."

1. The principal object and activity is the operation of Eden Academy Trust Limited to provide primary education services for children aged 2 to 11 at Stranton Primary School, Eskdale Academy and Jesmond Gardens Primary School.
2. • Eden Academy Trust Limited aims to improve the lives of children and young people through education. By ensuring that every child is challenged to reach their full potential, all children are equipped with the skills for life in an ever changing world, all children and their families are welcomed into our learning environments – ensuring they receive the help, support and direction they require at differing times of their lives and that we meet the needs and aspirations of the local community.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES (CONTINUED)

3. In doing all of the above we do so with best value principles in mind to ensure we always receive value for money.

• **Objectives, strategies and activities**

1. The Academy Trust was set up in July 2013 in order to improve the educational lives of the pupils attending the Trust.
2. The initial object was to ensure a smooth transition from Local Authority Schools to an Academy Trust.
3. As the Trust grows and additional Schools join us we want ensure a smooth transition for all.
4. We have an Academy Order to convert a new school into the Trust with effect from 1st September 2020. This is a fully sponsored project and work will be carried out to improvement all areas of Teaching and Learning. This conversion was originally planned for 1st April 2020 but due to various reasons the conversion was delayed.

In doing this the Trust was determined to maintain the ethos, values, standards and achievements of Stranton Primary School, Eskdale Academy and Jesmond Gardens Primary School, whilst at the same time continually working to improve standards and value for money. This ethos will continue as the Trust grows.

Activities for achieving objectives

To ensure we meet the aims of our Trust, we ensure our children:

1. Have access to a broad, balanced and engaging curriculum.
2. Have access to a wide range of extra-curricular activities – both academic and sporting.
3. Have the opportunity to undertake visits that enrich children's learning.
4. Use our school buildings to offer programmes and opportunities for parents and wider family members and the community as a whole.
5. Provide equal opportunities for all children who attend our academies.
6. To inspire our children to achieve the best.

The schools within the Trust were all affected by the national lockdown in March 2020. The schools remained open to children of Key Workers and those vulnerable children. Staff were all put onto a rota to ensure they had time out of school and away from any potential virus outbreaks. Remote learning for children not attending school took over and work packs were sent out for all of these families. Teachers/Support Staff within the schools all had regular contact with children and carried out weekly welfare checks by phone to check the pupils and the families were all safe and well. Staff delivered food parcels/packed lunches to those families in isolation before the national voucher scheme took over. However, once the vouchers were issued staff made deliveries to parents to ensure the vouchers were received by them.

This was an extremely difficult time for all pupils – all statutory testing was cancelled and in-school assessments postponed. This period of 'lost learning' will inevitably have a negative impact on the children in the weeks and months ahead; however all Trust Schools have robust plans in place to deliver up catch up interventions and emotional well-being support for the children as and when they need it.

• **Public benefit**

In setting objectives and planning for activities, the Directors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a

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DIRECTORS' REPORT (CONTINUED)
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OBJECTIVES AND ACTIVITIES (CONTINUED)

charity (PB2)'.

The Trust continues to focus on the family values that are the heart of the Eden Academy Trust community. We work closely with the "Friends of school" groups, who have helped deliver family support training, parenting courses and helped to feed those families that are in need

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

• **Key performance indicators**

The following KPI's have been set:

- Attainment in line or above national.
- Progress in line or above national.
- Successful Ofsted inspection.
- To set a balanced budget at the start of the year which is revised in line with requirements using surplus funds brought forward.

Due to national testing and in school assessments being cancelled – due to having only vulnerable and key worker children in School during this time; it is difficult to report on pupil progress data as such. When children left School in March, projections (formed by teacher assessment) for statutory assessments at all key stages across all Trust Schools were to be in-line with and in most cases exceeding national expectations.

Attendance data in March 2020 showed all Trust Schools to be in line with national expectations – and even throughout the school closures; attendance in School coupled with engagement in home learning was over 98%.

The external School Improvement partner continued to make virtual visits to School during this time – challenging the self-evaluation of each School. At the end of the year, she classified one School as Outstanding and two Schools as 'Good with many Outstanding features' – something supported by the LA classification of Schools document.

A balanced budget was set at the beginning of the year and revised throughout the year to take into account changes in pupil numbers, pupils' individual needs and the staffing required to ensure all pupil needs have been met. Surplus balances from previous years are used in order to ensure we can meet the needs of the pupils in school during the year. As surplus balances become less than in previous years, budgets going forward are going to be harder to set and therefore some potential difficult decisions may need to be made.

Review of activities

As there have been no formal assessments of data this year, again due to the impact of COVID-19 we cannot report attainment data in the same format as in previous years.

OFSTED Inspections:

Stranton Primary School	Outstanding	July 2012
Eskdale Academy	Good	December 2018
Jesmond Gardens Primary School	Good	May 2019

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

• **Going concern**

After making appropriate enquiries, the board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

As described elsewhere in this report COVID-19 has led to additional costs and reduced some of the opportunities for fundraising. However the Trust has increased fundraising in other areas and was able to access government support for some of these additional costs.

For this reason they continue 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.

FINANCIAL REVIEW

• **Reserves policy**

The Trust is holding reserves for future capital programmes and building contingencies for the schools in the Trust. The reserves have been kept at the level they are to assist with future growth of the Academy Trust. The Trust's current level of reserves, excluding the fixed asset and pension reserve is £244,032 and the free reserves are £181,481.

At 31st August 2020 the net book value of the fixed assets was £11,123,591 and the movements in the year are shown in notes 16 and 17. All assets are used exclusively for providing education and associated support services to pupils of the Trust.

The provision of FRS 102 in respect of Retirement Benefits have been applied resulting in an actuarial loss of £901,000 and a closing deficit of £3,568,000. Payments to fund the deficit will be made out of future income.

At 31st August 2020 the Trust held balances of £8,050,991 being £60,151 restricted funds £11,374,959 of restricted fixed asset funds, a pension deficit of £3,568,000 and £183,881 of unrestricted funds.

• **Investment policy**

The Trust aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

Our aim is to spend the public monies with which we are entrusted for the direct educational benefit of students as soon as is prudent. The Trust does not consider the investment of surplus funds as a primary activity, rather it is a result of good stewardship as and when circumstances allow.

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DIRECTORS' REPORT (CONTINUED)
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● **Principal risks and uncertainties**

The Directors have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major issues.

There are a number of risks facing the Trust. Key to these are uncertainty surrounding staff pay awards in the future and payment of the government grant towards inflated pension contributions. These issues are further compounded by the fact that staffing levels are difficult to predict due to the mobility and nature of pupils within the Trust.

Due to the location of schools in the Trust – within some of the most highly deprived wards in the UK, two of the schools (Stranton and Eskdale) have high levels of inward and outward pupil mobility – making staffing projections almost impossible and meaning additional in-year staffing appointments are necessary.

In addition to this, some pupils taken on roll mid-year come with specific learning, social and emotional, and behavioural difficulties which require 1:1 adult support. For all the Local Authority contribute towards this cost, there is still a huge shortfall each school has to pick up. This is impossible to predict at the state of the school/financial year. This is still relevant as we continue to take on more vulnerable pupils.

This risk is reduced by prudent budgets which include increasing pay costs and experience at dealing with this issue in previous years. The Trust cannot remove the risk entirely.

● **Principal funding**

The majority of the Trust's income is obtained from the Department of Education via the Educations and Skills Funding Agency, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received and the associated expenditure are shown in the Statement of Financial Activities.

In addition capital grants are received and these are shown as restricted income in the fixed asset fund. Total income for the year excluding capital fund was £5,732,705 and expenditure excluding fixed asset funds was £6,126,396 giving a deficit for the year of £393,691.

Excluding the pension reserve total restricted income funds have decreased in year by £79,601 and unrestricted reserves fell by £44,046 a total movement on revenue funds of £123,647.

Due to the nature of the pandemic we have been in this year, it has had a negative financial effect right across the Trust, from additional cleaning costs to supply staff. Some of this was claimed back through the COVID-19 emergency fund but is inevitably going to have a long term effect on the Trust.

The Trust generates income through lettings to external providers and community groups. It also generates income through the sharing/commissioning of Trust staff to other maintained schools in the area. In the current year the lettings income has reduced as a result of COVID-19 and the national lockdown, which meant many of the normal activities for which rooms would be hired could not happen.

All expenditure for the year was in furtherance of the Trusts objectives.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

Stranton Primary School worked alongside HBC to put a bid together for funding under the Governments Nursery Capital Fund for a new build attached to the main school for an extended Early years provision and community rooms. This new provision will provide facilities for more two-year-old places and rooms that can be used by the community as a whole. This funding had been delayed until the 2019-2020 financial year when it was awarded and building work began.

Internal fund raising has been carried out by all schools within the Trust. Funding awarded has included library books for Stranton Primary School. However, due to the impact of COVID-19 fundraising has not been as successful as in previous years. This has been monitored by LGBs and Trustees and there have been no complaints in relation to fundraising in this year.

Plans for future periods

An Academy order was signed in July 2019 for a fully sponsored conversion of a school in Durham to transfer into Eden Academy Trust Limited. The latest conversion date for this is 1st September 2020. Grants were applied for in 2019-2020 to assist with the Trust growth and this sponsored conversion. Bluebell Meadow Primary School has had financial issues for a number of years, for a number of reasons; including fall in pupil numbers and changes in staffing. The school converted to the Trust with a large deficit (that remained with the local authority), however changes need to be made over the next couple of years to ensure financial stability within the school.

As in previous years applications will be considered from other schools wanting to join the Trust on an individual basis. The growth of the Trust may benefit from the Governments expected drive to convert more maintained schools into academies in the academic year 2020-2021.

END OF STRATEGIC REPORT

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Directors' responsibilities statement (CONTINUED)

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 Directors 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 Directors 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.

Disclosure of information to auditors

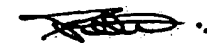
Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Waltons Clark Whitehill Limited, have indicated their willingness to continue in office. The designated Directors will propose a motion reappointing the auditors at a meeting of the Directors.

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on _____ and signed on its behalf by:



P Ingham
Chair of trustees

22nd January 2021

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

As Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Directors has delegated the day-to-day responsibility to the Executive Head, 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 Eden Academy Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the board of Directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' report. The board of Directors has met 5 times during the year.

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

Director	Meetings attended	Out of a possible
P Hart	4	5
N Nottingham, Accounting Officer	5	5
M Sumpter	1	5
G Danby (resigned 18/10/2020)	3	5
Dr S A Paul	5	5
P Gowland	4	5
P Ingham, Chair	5	5
S Saint	5	5
A Clark	5	5
G Slimings	5	5
H Haygarth (appointed 01/02/2020)	1	4

Due to the impact of COVID-19, the number of face to face meetings held during the year as planned were not achieved. However, we switched to monthly zoom informal update meetings with Trustees to keep them up to date with the Trust. Trustees welcomed this and have requested that going forward we have more informal meetings with them.

The Trust CEO was a regular visitor into all Schools and held weekly 'virtual' meetings with all Trust Headteachers to ensure the high level of accountability remained in place during the difficult and challenging times. The feedback from these meetings was fed back weekly to the Chair of the Trust Peter Ingham during conference calls.

A governance review was carried out during 2018-2019 for Eskdale Academy and Jesmond Gardens Primary School. A further self-evaluation will be carried out during 2020-2021 (this was due to happen during the year 2019-20, however due to the impact of COVID-19 this has been delayed). The data from this exercise will be collated and taken to the board for review. Any recommendations on where the board lack skills will be rectified through training, if found to be necessary.

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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

A Raising Achievements committee has been set up as a subcommittee of the main board.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
M Sumpter	1	2
S A Paul	2	2
S Saint	2	2
P Hart	1	2

The Board of Directors also has a separate Resources Committee, who meet three times a year. The committee oversees all aspects of internal controls and assurances and sets a programme of works in conjunction with the Executive Head for all schools in the Trust. They also oversee the Trusts governance, risk management, value for money framework, GDPR and Human Resources.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
G Danby (resigned 18 October 2020)	3	3
P Ingham, Chair	3	3
P Gowland	3	3

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Trust has delivered improved value for money during the year by:

- Working in collaboration across the Trust and the wider educational community to achieve economies of scale. Work has started on a preferred supplier framework for use by all schools within the Trust to ensure we are all benefiting from the same best value contracts.
- Continuing with our focus to generate income by seconding staff to other schools, this also helps us share best practice.
- Internal income generation and fund raising across all three schools within the Trust in order to maximise grants. Particularly successful this year has been the sharing/seconding of PE staff across the Trust and the town as a whole.
- Using the EFA's RPA Scheme, in place of traditional insurance to ensure best value is achieved for all three schools in the Trust.
- Seeking alternative funding where possible.
- Working to support the "friends of school" group in their fundraising effort, who then in turn donate to

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GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY (CONTINUED)

various school activities along with providing training and other benefits to the community and families within our area.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Eden Academy Trust Limited for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Directors.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Directors
- regular reviews by the Resources 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 Directors has decided to buy-in an internal audit service from Hartlepool Borough Council.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

Given available audit resources, all aspects of the Academy Trust's systems and arrangements cannot be audited in one year. In recognition of this, a Strategic Audit Plan has been prepared using a risk model based on the model accredited by the Chartered Institute of Public Finance and Accountancy, which factors include:

- System Factors
- Managerial and Control environment
- Value of transactions
- Volume of transactions
- Opinion critical
- May incur legal penalties

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GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

The Strategic Audit Plan is produced in a way that ensures all relevant risk areas are covered. This allows the most relevant and comprehensive annual opinion on the Academy Trust's control environment to be given to the Resources Committee.

The areas reviewed during the audit fieldwork were:

- Governance;
- Payroll; and
- Procurement.

On an annual basis, the reviewer reports to the board of Directors through the Resources committee on the operation of the systems of control and on the discharge of the Directors' financial responsibilities.

The internal auditor attended each school within the Trust and issued a report in September 2020. The testing covered the financial year 1 September 2019 to 31 August 2020.

The report gave satisfactory assurance in the Trust and in the three schools.

REVIEW OF EFFECTIVENESS

As accounting officer, the Executive Head 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 reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

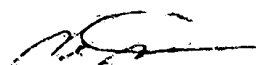
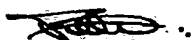
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on
on their behalf by:

and signed

P Ingham
Chair of Trustees

N Nottingham
Accounting Officer



22nd January 2021

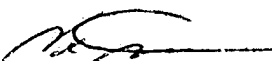
EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Eden Academy Trust Limited I have considered my responsibility to notify the Trust board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Trust board of Directors are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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 Directors and ESFA.



N Nottingham
Accounting Officer
Date:

22nd January 2021

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EDEN ACADEMY TRUST LIMITED

Unqualified opinion

We have audited the financial statements of Eden Academy Trust Limited (the 'trust') for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust'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.

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EDEN
ACADEMY TRUST LIMITED (CONTINUED)**

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Other information includes the Reference and administrative details, the Directors' 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 Directors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EDEN
ACADEMY TRUST LIMITED (CONTINUED)**

Responsibilities of trustees

As explained more fully in the directors' responsibilities statement, the Directors (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Heather O'Driscoll FCA (senior statutory auditor)
for and on behalf of
Waltons Clark Whitehill Limited
Chartered Accountants
Statutory Auditors
Maritime House

Harbour Walk
The Marina
Hartlepool
TS24 0UX

25 January 2021

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EDEN
ACADEMY TRUST LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 29 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Eden Academy Trust Limited during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Eden Academy Trust Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Eden Academy Trust Limited 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 Eden Academy Trust Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Eden Academy Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Eden Academy Trust Limited's funding agreement with the Secretary of State for Education dated 27 June 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes a review of the design and implementation of the academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EDEN
ACADEMY TRUST LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

This work included:

- Review minutes of meetings of Trustees
- Review Internal Assurance reports
- Review payroll for evidence of authorisation and review any extra contractual payments
- Review a sample of purchases and expense claims
- Review of a sample of contracts entered into and procurement procedures
- Review a sample of credit card transactions
- Review lines of delegation and limits set
- Review register of interests
- Review related party transactions
- Review other income to ensure in line with funding agreement
- Review risk register and business continuity plans

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



Heather O'Driscoll FCA
Waltons Clark Whitehill Limited
Chartered Accountants
Statutory Auditors

Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

Date: 25 January 2021

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	4	32,173	6,967	665,135	704,275	540,322
Charitable activities	5	-	5,458,244	-	5,458,244	5,162,053
Other trading activities	6	137,337	97,984	-	235,321	125,294
TOTAL INCOME		169,510	5,563,195	665,135	6,397,840	5,827,669
EXPENDITURE ON:						
Raising funds	8	28,928	97,984	-	126,912	48,160
Charitable activities	9	184,628	5,814,856	231,665	6,231,149	5,809,269
TOTAL EXPENDITURE		213,556	5,912,840	231,665	6,358,061	5,857,429
NET (EXPENDITURE)/INCOME		(44,046)	(349,645)	433,470	39,779	(29,760)
Transfers between funds	22	-	(56,956)	56,956	-	-
Actuarial losses on defined benefit pension schemes	30	-	(901,000)	-	(901,000)	(926,000)
NET MOVEMENT IN FUNDS		(44,046)	(1,307,601)	490,426	(861,221)	(955,760)
RECONCILIATION OF FUNDS:						
Total funds brought forward		227,927	(2,200,248)	10,884,533	8,912,212	9,867,972
Net movement in funds		(44,046)	(1,307,601)	490,426	(861,221)	(955,760)
TOTAL FUNDS CARRIED FORWARD		183,881	(3,507,849)	11,374,959	8,050,991	8,912,212

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 56 form part of these financial statements.

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2020

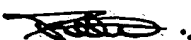
	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	17	11,123,591	10,774,521
		<u>11,123,591</u>	<u>10,774,521</u>
CURRENT ASSETS			
Stocks	18	36,000	36,000
Debtors	19	488,411	413,473
Cash at bank and in hand		164,624	225,817
		<u>689,035</u>	<u>675,290</u>
Creditors: amounts falling due within one year	20	(187,381)	(189,558)
NET CURRENT ASSETS		<u>501,654</u>	<u>485,732</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,625,245</u>	<u>11,260,253</u>
Creditors: amounts falling due after more than one year	21	(6,254)	(8,041)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>11,618,991</u>	<u>11,252,212</u>
Defined benefit pension scheme liability	30	(3,568,000)	(2,340,000)
TOTAL NET ASSETS		<u><u>8,050,991</u></u>	<u><u>8,912,212</u></u>

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FUNDS OF THE TRUST			
Restricted funds:			
Fixed asset funds	22	11,374,959	10,884,533
Restricted income funds	22	60,151	139,752
Restricted funds excluding pension asset	22	11,435,110	11,024,285
Pension reserve	22	(3,568,000)	(2,340,000)
Total restricted funds	22	7,867,110	8,684,285
Unrestricted income funds	22	183,881	227,927
TOTAL FUNDS		8,050,991	8,912,212

The financial statements on pages 21 to 56 were approved by the Directors, and authorised for issue on and are signed on their behalf, by:



P Ingham
Chair of trustees

22nd January 2021.

The notes on pages 25 to 56 form part of these financial statements.

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	24	(186,499)	(145,039)
Cash flows from investing activities	26	127,093	51,063
Cash flows from financing activities	25	(1,787)	(1,786)
Change in cash and cash equivalents in the year		(61,193)	(95,762)
Cash and cash equivalents at the beginning of the year		225,817	321,579
Cash and cash equivalents at the end of the year	27, 28	<u><u>164,624</u></u>	<u><u>225,817</u></u>

The notes on pages 25 to 56 form part of these financial statements

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 Trust, 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 financial statements 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Directors 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 Trust to continue as a going concern. The Directors 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

As explained in the Directors' Report COVID-19 has meant increased costs and a reduction in some fundraising income, from catering and lettings.

These unfunded costs are impacting into the budget originally allocated for the provision of our children's education and wellbeing. The Trust may have to use some of its reserves to cover these costs. However the Trust has reserves to do this if necessary.

Given the above the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Fund accounting

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

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.

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.4 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

1.5 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.6 Intangible assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Computer software	- 3 years straight line
-------------------	-------------------------

1.7 Tangible fixed assets

Assets costing £1,000 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:

Long term leasehold property	- 125 years straight line
Leasehold improvements	- 20 years straight line
Plant and equipment	- 5 years straight line
Computer equipment	- 3 years straight line

1.8 Stocks

Stocks are valued at cost and are goods purchased in the summer term for use in the 2020-2021 year and IT equipment which falls below the capitalisation threshold.

1.9 Liabilities

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

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 20 and 21. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.12 Taxation

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

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

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.13 Pensions

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

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

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

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

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The 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 30, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

In December 2018 the Court of Appeal ruled in the McCloud/Sargeant judgement that the transitional protection arrangements put in place when the Firefighters and Judges pension schemes were reformed were age discriminatory. The government applied to the Supreme Court for permission to appeal this judgement, however the Supreme Court rejected the Government's request on 27 June 2019. The next stage is for the case to be referred to the Employment Tribunal to agree the remedy, following appropriate consultation. In a Ministerial Statement dated 15 July 2019 Government committed to extending a remedy across all public sector schemes which included similar transitional protection arrangements, which includes the LGPS.

An approximate calculation was conducted by the actuary in the previous year and included in the pension deficit at that stage. This has been updated in the current year using data from the 2019 valuation. The true final cost will depend on the age and salary profile of Trust employees as well as the exact form of compensation agreed.

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". An allowance has been made for full indexation on all GMPs for members whose state pension age is on or after 6 April 2016. This is a change to the approach taken last year.

EDEN ACADEMY TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. COMPANY STATUS

The Trust is a company limited by guarantee and registered in England and Wales. The members of the company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Trust.

The registered office address is:

Stranton Academy
Southburn Terrace
Hartlepool
TS25 1SQ

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	13,691	6,967	-	20,658	37,960
Capital Grants	-	-	665,135	665,135	466,215
Income from trips and visits	18,482	-	-	18,482	36,147
	<u>32,173</u>	<u>6,967</u>	<u>665,135</u>	<u>704,275</u>	<u>540,322</u>
<i>Total 2019</i>	<u>74,107</u>	<u>-</u>	<u>466,215</u>	<u>540,322</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
GAG	3,760,993	3,760,993	3,692,843
Pupil premium	576,898	576,898	606,094
Universal infant free school meals	77,589	77,589	96,079
Teacher pay grant	46,064	46,064	29,490
Teachers pension grant	157,951	157,951	-
Sponsorship income	192,000	192,000	-
	-	4,811,495	4,424,506
Other government grants			
National college school leadership	2,000	2,000	6,000
Early years income	476,415	476,415	493,944
High needs income	136,912	136,912	188,147
Pupil premium local authority	25,422	25,422	43,756
	-	640,749	731,847
Other grants			
Sapere grant	-	-	5,700
	-	-	5,700
Exceptional government funding			
Covid exceptional support	6,000	6,000	-
Total 2020	5,458,244	5,458,244	5,162,053
<i>Total 2019</i>	<i>5,162,053</i>	<i>5,162,053</i>	

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Catering	26,586	-	26,586	37,577
Breakfast & after school club	17,036	-	17,036	14,437
Provision of staff	-	97,984	97,984	10,605
Lettings income	2,866	-	2,866	6,552
Staff absence insurance	37,767	-	37,767	23,553
Other fundraising	51,802	-	51,802	31,490
Little Stars	1,280	-	1,280	1,080
	<u>137,337</u>	<u>97,984</u>	<u>235,321</u>	<u>125,294</u>
Total 2019	<u>125,294</u>	<u>-</u>	<u>125,294</u>	

7. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
Direct costs	97,984	-	28,928	126,912	48,160
Educational activities					
Direct costs	4,028,444	-	276,339	4,304,783	4,006,833
Allocated support costs	798,851	565,713	561,802	1,926,366	1,802,436
Total 2020	<u>4,925,279</u>	<u>565,713</u>	<u>867,069</u>	<u>6,358,061</u>	<u>5,857,429</u>
Total 2019	<u>4,428,125</u>	<u>436,460</u>	<u>992,844</u>	<u>5,857,429</u>	

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FOR THE YEAR ENDED 31 AUGUST 2020**

8. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Trips and activities	28,928	-	28,928	48,160
Wages and salaries	-	97,984	97,984	-
	<u>28,928</u>	<u>97,984</u>	<u>126,912</u>	<u>48,160</u>
<i>Total 2019</i>	<u>48,160</u>	<u>-</u>	<u>48,160</u>	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	<u>4,304,783</u>	<u>1,926,366</u>	<u>6,231,149</u>	<u>5,809,269</u>
<i>Total 2019</i>	<u>4,006,833</u>	<u>1,802,436</u>	<u>5,809,269</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	3,989,656	3,634,574
Educational supplies	162,231	192,683
Training	33,879	40,951
Insurance	28,020	26,557
Agency supply	38,788	47,763
Educational consultancy	38,749	36,874
HR and professional fees	13,460	27,431
	<u>4,304,783</u>	<u>4,006,833</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	798,851	745,829
Depreciation	188,972	196,510
Catering	208,648	236,806
Postage and telephone	13,072	11,692
Repairs and maintenance	209,865	140,501
Energy	142,516	117,676
Rates and Water	53,450	42,060
Cleaning	112,501	106,583
Travel	28,546	28,854
Printing and stationery	51,016	51,517
Other support	8,894	8,139
Bank charges	3,591	3,086
HR and professional fees	20,143	28,271
Pension charge	42,000	30,000
Amortisation	-	4,406
Other support costs	28,331	31,004
Governance costs	15,970	19,502
	<u><u>1,926,366</u></u>	<u><u>1,802,436</u></u>

10. GOVERNANCE COSTS

	2020 £	2019 £
Auditors' remuneration	9,440	9,100
Auditors' non audit fees	1,460	1,920
Legal and professional fees	5,070	8,482
	<u><u>15,970</u></u>	<u><u>19,502</u></u>

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11. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	176,076	196,510
Amortisation of intangible assets	-	4,406
Fees paid to auditors for:		
- audit	9,440	9,100
- other services	1,460	1,920
	<u>176,076</u>	<u>196,510</u>

12. STAFF

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,539,514	3,324,173
Social security costs	322,116	296,765
Pension costs	1,023,082	755,170
	<u>4,884,712</u>	<u>4,376,108</u>
Supply teacher costs	38,788	47,722
Staff restructuring costs	1,779	4,295
	<u>4,925,279</u>	<u>4,428,125</u>

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

Restructuring costs do not include any non-statutory/non-contractual severance payments (2019: 1 payment of £1,790).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. STAFF (CONTINUED)

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	56	53
Administration and support	98	99
Management	3	3
	<u>157</u>	<u>155</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	51	50
Administration and support	69	72
Management	4	3
	<u>124</u>	<u>125</u>

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the Trust comprise the Directors and the 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 £408,568 (2019: £269,750).

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FOR THE YEAR ENDED 31 AUGUST 2020**

13. DIRECTORS' REMUNERATION AND EXPENSES

One or more Directors has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Directors 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 Directors' remuneration and other benefits was as follows:

		2020	2019
		£	£
N Nottingham	Remuneration	105,000 - 110,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	15,000 - 20,000

During the year ended 31 August 2020, no Director expenses have been incurred (2019 - £NIL).

14. DIRECTORS' AND OFFICERS' INSURANCE

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

15. CENTRAL SERVICES

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

- Provision of staff
- IT staff

The Trust charges for these services on the basis of time spent.

The actual amounts charged during the year were as follows:

	2020	2019
	£	£
Stranton Primary School	69,739	69,514
Eskdale Primary School	48,797	44,966
Jesmond Gardens Primary School	65,664	66,232
Total	184,200	180,712

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. INTANGIBLE ASSETS

	Computer Software £
Cost	
At 1 September 2019	18,375
At 31 August 2020	18,375
Amortisation	
At 1 September 2019	18,375
At 31 August 2020	18,375
Net book value	
At 31 August 2020	-
At 31 August 2019	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Leasehold improvements £	Plant and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2019	10,109,076	1,072,565	155,499	192,641	11,529,781
Additions	-	520,864	11,268	5,910	538,042
Disposals	-	-	-	(3,015)	(3,015)
Transfers between classes	(325,361)	325,361	-	-	-
At 31 August 2020	9,783,715	1,918,790	166,767	195,536	12,064,808
Depreciation					
At 1 September 2019	367,204	133,294	105,022	149,740	755,260
Charge for the year	77,770	69,057	16,344	25,801	188,972
On disposals	-	-	-	(3,015)	(3,015)
At 31 August 2020	444,974	202,351	121,366	172,526	941,217
Net book value					
At 31 August 2020	9,338,741	1,716,439	45,401	23,010	11,123,591
At 31 August 2019	9,741,872	939,271	50,477	42,901	10,774,521

The academy continues to occupy the land and buildings which were used by the predecessor schools prior to conversion. These properties were gifted to the academy on conversion on a 125 year lease by Hartlepool Borough Council. The council continue to own the freehold and the academy has the right to occupy the properties for a peppercorn rent. The property is shown above in long term leasehold property and is written off over the life of the lease.

18. STOCKS

	2020 £	2019 £
School supplies	36,000	36,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. DEBTORS

	2020 £	2019 £
Trade debtors	42,194	86,856
VAT	25,014	95,000
Prepayments and accrued income	421,203	231,617
	<u>488,411</u>	<u>413,473</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other loans	1,787	1,787
Trade creditors	81,191	55,929
Other creditors	1,786	3,362
Accruals and deferred income	102,617	128,480
	<u>187,381</u>	<u>189,558</u>

	2020 £	2019 £
Deferred income at 1 September 2019	42,700	42,318
Resources deferred during the year	44,221	42,700
Amounts released from previous periods	(42,700)	(42,318)
	<u>44,221</u>	<u>42,700</u>

At the balance sheet date the academy was holding funds received in advance to fund free school meals in the 2020-2021 academic year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Other loans	6,254	8,041

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020	2019
	£	£
Repayable by instalments	-	893
	-	893

The loan shown above is payable in bi - annual installments and is not subject to interest.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	227,927	169,510	(213,256)	(2,700)	-	181,481
Unrestricted fixed asset funds	-	-	(300)	2,700	-	2,400
	<u>227,927</u>	<u>169,510</u>	<u>(213,556)</u>	<u>-</u>	<u>-</u>	<u>183,881</u>
Restricted general funds						
General annual grant	139,752	3,760,993	(3,783,638)	(56,956)	-	60,151
Pupil premium	-	602,320	(602,320)	-	-	-
Higher educational needs	-	136,912	(136,912)	-	-	-
Early years and nursery	-	476,415	(476,415)	-	-	-
Universal free school meals	-	77,589	(77,589)	-	-	-
National college of school leadership	-	2,000	(2,000)	-	-	-
Teacher pay grant	-	46,064	(46,064)	-	-	-
Teacher pension grant	-	157,951	(157,951)	-	-	-
Covid catch up premium	-	6,000	(6,000)	-	-	-
Sponsorship grant	-	192,000	(192,000)	-	-	-
Small restricted donations	-	6,967	(6,967)	-	-	-
Provision of staff	-	97,984	(97,984)	-	-	-
Pension reserve	(2,340,000)	-	(327,000)	-	(901,000)	(3,568,000)
	<u>(2,200,248)</u>	<u>5,563,195</u>	<u>(5,912,840)</u>	<u>(56,956)</u>	<u>(901,000)</u>	<u>(3,507,849)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Capital transferred on conversion	9,178,295	-	(78,123)	-	-	9,100,172
Other capital grants	1,540,951	665,135	(123,221)	1,787	-	2,084,652
Capital expenditure from GAG	165,287	-	(30,321)	55,169	-	190,135
	<u>10,884,533</u>	<u>665,135</u>	<u>(231,665)</u>	<u>56,956</u>	<u>-</u>	<u>11,374,959</u>
Total restricted funds	<u>8,684,285</u>	<u>6,228,330</u>	<u>(6,144,505)</u>	<u>-</u>	<u>(901,000)</u>	<u>7,867,110</u>
Total funds	<u>8,912,212</u>	<u>6,397,840</u>	<u>(6,358,061)</u>	<u>-</u>	<u>(901,000)</u>	<u>8,050,991</u>

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22. STATEMENT OF FUNDS (CONTINUED)

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

General annual grant - this is the money provided to the academy for normal school running costs.

The pupil premium is paid based upon the number of pupils with service parents or who are entitled to free school meals. This funding has paid for support assistants within classrooms and extra resources.

The funding for higher educational needs has been spent on teaching assistants in class and working one to one with children that have been identified as needing extra support. Some of the funding was spent on resources as well.

The early years and nursery funding has been spent on providing a nursery and 2 year old centre in all schools.

Funding for universal free school meals was spent on providing free school meals to infant pupils.

National college of school leadership income was towards the costs of the Executive Head working with other schools.

The teachers pay grant and the teachers pension grant have been spent on the increased cost of teachers wages and pensions.

The Covid catch up premium has been used towards the increased school costs during the pandemic.

The sponsorship grant has been used towards the costs associated with bringing a further school into the Trust.

The capital transferred on conversion represents the land and buildings and other assets transferred to the school at nil consideration from Hartlepool Borough Council upon conversion to an Academy. This fund is being depreciated in line with the assets represented.

Other capital grants are government funds received for the purchase of capital equipment and expenditure on repairs projects. The amount carried forward represents assets purchased in the year at their net book value and funding yet to be spent.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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22. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Stranton Primary School	14,985	63,216
Eskdale Academy	100,116	112,351
Jesmond Gardens Primary School	65,042	161,022
Trust	63,889	31,090
Total before fixed asset funds and pension reserve	244,032	367,679
Restricted fixed asset fund	11,374,959	10,884,533
Pension reserve	(3,568,000)	(2,340,000)
TOTAL	8,050,991	8,912,212

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 2020 £	Total 2019 £
Stranton Primary School	1,594,137	155,896	51,712	359,854	2,161,599	2,270,808
Eskdale Academy	977,562	94,201	62,422	255,258	1,389,443	1,286,213
Jesmond Gardens Primary School	1,418,120	138,116	42,009	322,684	1,920,929	1,805,783
Trust	136,609	452,638	4,625	103,246	697,118	293,709
Total	4,126,428	840,851	160,768	1,041,042	6,169,089	5,656,513

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**NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS (CONTINUED)

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

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Unrestricted funds						
Unrestricted funds	292,464	199,401	(263,938)	-	-	227,927
Restricted general funds						
General annual grant	103,589	3,692,843	(3,654,893)	(1,787)	-	139,752
Pupil premium	-	649,850	(649,850)	-	-	-
Higher educational needs	-	188,147	(188,147)	-	-	-
Early years and nursery	-	493,944	(493,944)	-	-	-
Universal free school meals	-	96,079	(96,079)	-	-	-
National college of school leadership	-	6,000	(6,000)	-	-	-
Teacher pay grant	-	29,490	(29,490)	-	-	-
Sapere grant	-	5,700	(5,700)	-	-	-
Pension reserve	(1,166,000)	-	(248,000)	-	(926,000)	(2,340,000)
	<u>(1,062,411)</u>	<u>5,162,053</u>	<u>(5,372,103)</u>	<u>(1,787)</u>	<u>(926,000)</u>	<u>(2,200,248)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. 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						
Capital transferred on conversion	9,276,703	-	(98,408)	-	-	9,178,295
Other capital grants	1,154,731	466,215	(81,782)	1,787	-	1,540,951
Capital expenditure from GAG	206,485	-	(41,198)	-	-	165,287
	<u>10,637,919</u>	<u>466,215</u>	<u>(221,388)</u>	<u>1,787</u>	<u>-</u>	<u>10,884,533</u>
Total restricted funds	<u>9,575,508</u>	<u>5,628,268</u>	<u>(5,593,491)</u>	<u>-</u>	<u>(926,000)</u>	<u>8,684,285</u>
Total funds	<u>9,867,972</u>	<u>5,827,669</u>	<u>(5,857,429)</u>	<u>-</u>	<u>(926,000)</u>	<u>8,912,212</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds - current year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,400	-	11,121,191	11,123,591
Current assets	322,854	104,372	261,809	689,035
Creditors due within one year	(141,373)	(44,221)	(1,787)	(187,381)
Creditors due in more than one year	-	-	(6,254)	(6,254)
Provisions for liabilities and charges	-	(3,568,000)	-	(3,568,000)
Total	<u>183,881</u>	<u>(3,507,849)</u>	<u>11,374,959</u>	<u>8,050,991</u>

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23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	10,774,521	10,774,521
Current assets	372,998	182,452	119,840	675,290
Creditors due within one year	(145,071)	(42,700)	(1,787)	(189,558)
Creditors due in more than one year	-	-	(8,041)	(8,041)
Provisions for liabilities and charges	-	(2,340,000)	-	(2,340,000)
Total	227,927	(2,200,248)	10,884,533	8,912,212

24. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the period (as per statement of financial activities)	39,779	(29,760)
Adjustments for:		
Depreciation and amortisation charges	188,972	200,916
Capital grants from DfE and other capital income	(665,135)	(466,215)
Defined benefit pension scheme cost less contributions payable	327,000	248,000
Increase in debtors	(74,938)	(55,821)
Decrease in creditors	(2,177)	(42,159)
Net cash used in operating activities	(186,499)	(145,039)

25. CASH FLOWS FROM FINANCING ACTIVITIES

	2020 £	2019 £
Repayments of borrowing	(1,787)	(1,786)
Net cash used in financing activities	(1,787)	(1,786)

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26. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Purchase of tangible fixed assets	(538,042)	(415,152)
Capital grants from DfE Group	665,135	466,215
Net cash provided by/(used in) investing activities	127,093	51,063

27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	164,624	225,817
Total cash and cash equivalents	164,624	225,817

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	225,817	(61,193)	164,624
Debt due within 1 year	(1,787)	-	(1,787)
Debt due after 1 year	(8,041)	1,787	(6,254)
	215,989	(59,406)	156,583

29. CAPITAL COMMITMENTS

	2020 £	2019 £
Contracted for but not provided for in these financial statements		
Acquisition of tangible fixed assets	104,404	150,520

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30. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the teacher's pension scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

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30. PENSION COMMITMENTS (CONTINUED)

The employer's pension costs paid to TPS in the year amounted to £529,983 (2019 - £332,776).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £288,000 (2019 - £277,000), of which employer's contributions totalled £216,000 (2019 - £206,000) and employees' contributions totalled £ 72,000 (2019 - £71,000). The agreed contribution rates for future years are 17.5 per cent for employers and 2.5-12.5 per cent for employees.

As described in note 1.13 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.2	3.00
Rate of increase for pensions in payment / inflation	2.2	2.00
Discount rate for scheme liabilities	1.7	1.90
Inflation assumption (CPI)	2.2	2.00

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

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30. PENSION COMMITMENTS (CONTINUED)

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.8	21.9
Females	23.5	23.8
<i>Retiring in 20 years</i>		
Males	23.2	23.6
Females	25.3	25.7

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(206)	(168)
Discount rate -0.1%	206	173
Mortality assumption - 1 year increase	(265)	(215)
Mortality assumption - 1 year decrease	265	217
CPI rate +0.1%	169	115
CPI rate -0.1%	(169)	(112)

Share of scheme assets

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

	2020 £	2019 £
Equities	2,884,200	2,705,324
Property	303,600	297,444
Cash and other liquid assets	440,220	449,707
Other	166,980	88,525
Total market value of assets	3,795,000	3,541,000

The actual return on scheme assets was £160,000 (2019 - £126,000).

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30. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
Current service cost	(501,000)	(337,000)
Past service cost	-	(87,000)
Interest cost	(42,000)	(30,000)
Total amount recognised in the statement of financial activities	(543,000)	(454,000)

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

	2020 £	2019 £
At 1 September	5,881,000	4,338,000
Current service cost	501,000	337,000
Interest cost	112,000	122,000
Employee contributions	72,000	71,000
Actuarial losses/(gains)	815,000	960,000
Benefits paid	(18,000)	(34,000)
Past service costs	-	87,000
At 31 August	7,363,000	5,881,000

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

	2020 £	2019 £
At 1 September	3,541,000	3,172,000
Interest income	70,000	92,000
Actuarial gains	(86,000)	34,000
Employer contributions	216,000	206,000
Employee contributions	72,000	71,000
Benefits paid	(18,000)	(34,000)
At 31 August	3,795,000	3,541,000

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31. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	4,835	5,423
Later than 1 year and not later than 5 years	5,537	4,058
	<u>10,372</u>	<u>9,481</u>

32. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

F Nottingham, the wife of a director, is employed within the academy trust as a teacher. F Nottingham's appointment was made in open competition and the director was not involved in the decision making process regarding appointment. F Nottingham is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a director.

The Trust purchased services to the value of £400 (2019: £400) from Golden Tree Wellbeing CIC a business in which one of the directors holds an interest.