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Company Registration Number: 10279605 (England & Wales)

EKO TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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EKO TRUST**(A Company Limited by Guarantee)**

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EKO TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Members

Anthony Oteh
Christopher Owens
Alexandra Rhys-Jones (resigned 17.12.2018)
Alex Oma-Pius
Natalie Gross

Trustees / Governors

Philippa King (Chair)
Chris Brown (resigned 14.12.2018)
Roger Hawksworth (resigned 29.04.2019)
Ruth Martin (resigned 24.04.2019)
Susan Hellman
Rebekah Iiyambo (ex officio)
Kishor Parelukar
Carmen Rodney
Julian Robinson
Kai Muxlow
Deborah Strain
Daulat Sen
Mehreen Ara

Company Secretary

Janette Gillard

Senior Management Team

Rebekah Iiyambo (CEO, Eko Trust)
Deborah Strain
Kai Muxlow (CFO, Eko Trust)
Mark Painter
Janette Gillard
Kate Fallan
Laura Hewer

Company Name

Eko Trust

Principal and registered office

Kaizen Primary School, Elkington Road, London, E13 8LH

Company registered number

10279605 (England & Wales)

EKO TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019**

Independent Auditor

MHA MacIntyre Hudson, New Bridge Street House, 30-34 New Bridge Street, London, EC4V 6BJ

Bankers

Lloyds Bank Plc, Threadneedle Street, London

Solicitors

Winckworth Sherwood LLP, Minerva House, 5 Montague Cl, London SE1 9BB.

EKO TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The trust operates academies for pupils aged 3 to 16 serving a catchment area in London Borough of Newham. It has a pupil capacity of 496 (including Nursery) and had 1,334 pupils in the school census on 13 October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The Trustees of Eko Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Eko Trust.

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

Members Liability

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

Trustees' Indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions.

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust. The cost of this insurance in the year has been included within total insurance costs.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

Method of Recruitment and Appointment or Election of Trustees

The members of the Eko Trust Board shall comprise the signatories to the Memorandum, 1 person appointed by and from amongst the members of the Local Governing Body of Kaizen School, 1 person appointed by and from amongst the members of the Local Governing Body of Eleanor Smith, 1 person appointed by and from amongst the members of the Local Governing Body of Gainsborough School, the Chairman of the Directors and any person appointed under Article 16. The number of Directors shall be not less than 3, but shall not be subject to a maximum. The first Directors shall be those named in the initial Memorandum. The Trust shall have the following Directors: up to 8 Directors appointed by the members, including the Chief Executive Officer. The parental representation at the Trust is through 2 parent governors at each of the Local Governing Bodies. The Trust may also have any Co-opted Directors, a person who is appointed to be a Director by being co-opted by Directors who have not themselves been so appointed. The Directors may not co-opt an employee of the Trust as a Co-opted Director if the number of Directors who are employed by the Trust would thereby exceed one third of the total number of Directors (including the Chief Executive Officer and Principals). Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise. The term of office for any Director shall be 4 years, save that this time limit shall not apply to the Chief Executive Officer or the Principals/ Headteachers. Subject to remaining eligible to be a particular type of Director, Directors may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

During the period under review the Directors held six meetings. The training and induction provided for new Directors will depend on their existing experience. All new Directors will be given a tour of the Trust's Academies and the chance to meet with staff and students. All relevant Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only two or three new Directors per period, induction tends to be done informally and is tailored specifically to the individual. In November 2018, Trustees and all members of Local Governing Bodies were invited to attend an Annual Trust Governance Training Day. February and May 2019 consisted of two strategic planning meetings for Trustees. The focus for the February meeting was to develop operating systems for the future that would ensure financial efficiency. The focus for the May meeting was to review, evaluate and build upon the Trust board effectiveness.

Organisational Structure

The structure consists of three levels; the Directors, Senior Leadership Team and staff employed on the leadership spine across the members schools who meet monthly. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, its capital expenditure and senior staff appointments. Each Academy has in place a Local Governing Body, to which the Head Teacher reports; the Governing Body receives management reports, monitors performance, and recommends budgets for approval by the Trust Board.

Involvement and Awareness of Trust Performance

As an open and transparent employer, Eko Trust invites all employees to access information regarding Trust performance via Eko Trust and Schools' websites, in addition to annual cross trust sessions where Trust performance is discussed. All local governing bodies include staff trustees who represent all staff and to report back appropriate information. All staff are invited to attend as Trust and LGB meetings as observers; all staff are invited to the Annual General Meeting. For the academic year 2019-20 staff will also receive an annual report (to be published March 2020) which will give a comprehensive overview of Trust performance.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

Employees and Disabled Persons

Disability matters

Eko Trust is committed to ensuring equality in employment. We ensure that our recruitment process is inclusive and accessible by:

- making job adverts accessible
- providing job details in accessible formats when requested e.g. large print
- accepting applications in alternate formats e.g. paper form
- promoting our vacancies through a range of channels
- providing reasonable adjustments as required
- ensuring against discrimination

We support existing employees who acquire a disability or long term health condition, enabling them to stay in work wherever possible.

Employee Consultation

We are committed to involving our staff in decision making and we regularly seek and listen to views of staff and their representatives. This helps us to shape what we do and how we do it. We do this by:

- having regular staff meetings at a school level
- surveying staff on a range of issues; well-being, engagement, benefits
- meeting with union representatives on a regular basis to update on Trust plans and to consult on key policies which affect our staff

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration policy were included in the review of Trust Human Resources policies and includes a section to determine the pay of the most senior managers in the trust. The Key Management Personnel are: CEO, COO, Trust Executive Leaders for Education.

Trustees have agreed that

- The Nolan Principles of public life must be adhered to and pay must be set linked to the values, culture and ethos for which they are responsible.
- they should appropriately reward the Executive leading a complex multi-site organisation with significant accountabilities. Eko Trust as a complex organisation comprises not only of schools (mainstream and special schools), but a teaching school, a research school and a national support school.

The Trust operates a four-tier senior management team with Executive Leaders/COO reporting to the CEO. These are supported by the Executive Assistant, senior SBMs, accountant, finance manager and other support roles. The CEO leads the Executive Team and is responsible to the Trustee Board.

The senior roles are considered in accordance with the Trust's job evaluation scheme. The Board will take account of appropriate comparative data, including reference to independent experts and will take account of the pay position of the Trust and market conditions specific to the relevant professional groups.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees have calculated the headteacher group for each school within the Trust to seek an indication as to the appropriate pay ranges for Executive Leaders and CEOs. Further consideration has included the size of the Trust and expected Trust growth, the challenge of managing multiple schools across dispersed sites, and the challenge of improving outcomes across the Trust. Roles also require the use of school leadership professional judgement as they are based in an educational context that includes ensuring quality of education, improving standards, curriculum setting and reporting to the Trustees about the attainment and progress of pupils.

In 2018-19 there has been a change in the ranges of higher paid staff as detailed in Note 12 of the financial statements. The two key factors leading to changes to the numbers of higher paid staff in 2018-19 were: (1) the creation of a central team working across all schools from April 2019, with the subsequent changes to staffing at school level; (2) the teacher salary uplift as agreed to STPCD 2018-19.

Chief Executive Officer

The CEO's pay range has been determined based on the number of schools within the Trust, number of employees and pupils at each school, and with reference to the School Teachers Pay and Conditions Document guidance on Headteacher pay. It has also been benchmarked and reviewed against other comparable MATs to ensure market value whilst ensuring it is subject to Trust growth and affordability.

The setting of the pay and remuneration for the CEO is devolved to a panel responsible for the CEO performance management.

The pay of the CEO is based upon three elements:

- The total numbers within the trust (taking account special arrangements for pupils with Special Needs)
- The role as an Executive Headteacher within the trust
- The additional responsibilities identified in the CEO job description and involvement in system leadership and school improvement external to the trust, across the region

The CEO's salary is also externally benchmarked at least every three years. This exercise was carried out in spring 2019.

Executive Leaders of Education

The current structure of the trust means that each cluster of academies will be led by Executive Leader, with a job description that clearly states how this role will impact on the quality of education that each academy will provide within a cluster.

Chief Operating Officer and Executive Leaders of Business and Operations

The job description and salary of the Chief Operating Officer and the Senior Business Managers are evaluated and benchmarked regularly by the Trust's external HR advisors.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

Union Facility Time Report 31 August 2019

Trade union representatives and full-time equivalents	
Trade union representatives	6
FTE trade union representatives	5.16
Percentage of working hours spent on facility time	
0% of working hours	2
1% to 50% of working hours	4
51% to 99% of working hours	0
100% of working hours	0
Total pay bill and facility time costs	
Total pay bill	£225,963
Total cost of facility time	£1,197.31
Percentage of pay spent on facility time	0.53%
Paid trade union activities	
Hours spent on paid facility time	33
Hours spent on paid trade union activities	4
Percentage of total paid facility time hours spent on paid	11.1%

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Objects of the Trust are to advance for the public benefit education in the UK, establishing, maintaining, managing and developing schools offering a broad and balanced curriculum in mainstream academies and in schools specially organized to make special educational provision for pupils with Special Educational Needs.

Vision

Every member of our community is empowered to learn, to be ambitious and to be resilient.

Value

Vitality, Optimism, Integrity, Courage, Equity.

Mission

We collaborate to achieve world class outcomes for our children, young people and families.
We develop flexible, innovative approaches to learning to build our centres of excellence.
We invest in high quality support and development across diverse schools.
We support and challenge each other in an inclusive environment.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic Objectives

The three key objectives are:

- ignite continuous learning for all our children and young people as well as the Eko team to provide an **Excellent Future**
- grow and expand business and operations alongside education and learning with a strong infrastructure to ensure a **Sustainable Future**
- support children and young people as well as the Eko team to develop self-confidence and positive attitudes that underpin their continued health and wellbeing for an **Optimistic Future**

Outcome 1 – An Excellent Future

By 2020 Children and young people (including those with Special Educational Needs and Social Emotional Mental Health needs) will be making rapid progress from their starting points. This is because the curriculum will offer a well-planned primary quality of education and a wide range of vocational pathways, for the older pupils. Both curriculum pathways are targeted and customised to meet their needs and raise their ambitions. There will be extremely effective assessment systems and processes to ensure that underperformance is identified quickly and tackled immediately. Staff at all levels will develop their leadership capacity. This will include stretching themselves to take control and responsibility for the impact they will be able to show through the rapid progress of children and young people. Staff will use effective teaching methodologies to ensure that rapid progress is made. Children and young people will have a better understanding of their own Wellbeing and Mental Health issues alongside targets that will help them towards high personal achievement.

Outcome 2 – A Sustainable Future

By 2020 8,000 children and young people will be attending high quality Eko Trust Academies. Parents and carers are actively choosing Eko Trust schools. Teachers and support staff will choose Eko Trust schools as a place to have a worthwhile and fulfilling career. The three processes of joining, due diligence and induction for Academies are effective and ensure that integration into the life of the Trust is seamless, impacting positively on children and young people across the Trust.

Schools who are not yet Eko Trust schools want to be involved. The Regional Schools Commissioner will view Eko as a desired option for sponsorship. Pupil numbers will be maximised to ensure funding is the highest it can be. Capital plans will be in place to ensure premises and accommodation are of the highest quality. Systems will be robust and helpful to ensure that no time is wasted with any issues identified quickly and rapid solutions found. Trust Governance will have the appropriate skill set, training and development to ensure that it is high functioning and provides effective challenge.

Children and young people will be well taught by high quality school staff, who are supported by a team of Trust wide staff to support, enrich and enhance all aspects of the curriculum and their well-being. The Trust will be financially secure as a result of very effective long-term planning and modelling to cope with the pressures of ongoing central government cuts. Well established and multiple income streams will be utilised effectively to supplement and enhance budgets.

Outcome 3 – An Optimistic Future

By 2020 Resilience principles are embedded at all levels of the Trust.

All Eko Trust Community members are:

- optimistic in their outlook, resilient in their ability to bounce back when necessary and ambitious in their expectations of self and others
- able to self-regulate and understand self and others as a result of excellent Thrive practice
- professionally flourishing as a result of personalised, guided and challenging career pathways
- willing to take on ownership of solutions to address key challenges

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

Activities

Eko Trust's strategic activities have included:

- Continuing to develop high quality and effective governance at all levels across the Trust.
- Developing high quality and impactful teams comprising of staff from all Eko Trust Schools for areas such as school improvement, curriculum development, assessment, safeguarding, SEN and early years. These teams have ensured that practice in these areas is of high quality.
- Excellent provision for leadership development so that leaders are flexible, adaptable and impactful whilst still able to navigate a complex and volatile educational landscape
- Laying the groundwork and foundation to enable two schools to join the trust in 2019-20.
- Being an integral part of the school led system providing high quality school improvement support to two areas identified as opportunity areas.
- Working with partners to successfully win a bid for Eko Trust Schools to become a Research School with the Education Endowment Fund.
- Carrying out a thorough review of the Eko Human Resources suite of policies to ensure that the policies were fit for purpose in an evolving and growing Multi Academy Trust.

Public Benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission's General Guidance on Public Benefit when reviewing the Trust's aim and objectives and in planning future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set.

The Admissions policy for each school can be found on school websites.

STRATEGIC REPORT

Achievements and Performance

The Trust performed highly in the academic year 2018-2019. Kaizen and Earlham both achieved above national for all reportable data.

Gainsborough Primary School underwent a Section 8 Ofsted Inspection and received a letter to say the school remained Good with marked improvement. The results at the end of Key Stage 2 at Gainsborough were significantly lower than expected. This was as a result of the high number of pupils in the cohort with high levels of Special Educational Needs. The school has both a Resource Provision for Pupils with Autism and a significant number of other pupils are in receipt of high level SEN funding through the London Borough of Newham.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

Kaizen, Gainsborough and Earlham

		Earlham	Gainsborough	Kaizen	Trust
Key Stage 1					
At expected	Reading	76%	76%	80%	77%
	Writing	75%	76%	80%	77%
	Maths	76%	76%	80%	78%
	Combined	75%	76%	80%	77%
Greater than expected	Reading	17%	20%	22%	20%
	Writing	17%	20%	22%	20%
	Maths	19%	20%	22%	20%
Key Stage 2 with disapplication					
At expected	Reading	82%	53%	88%	75%
	Writing	86%	80%	91%	86%
	GPS	82%	71%	95%	83%
	Maths	86%	67%	89%	81%
	Combined	78%	47%	82%	70%
Greater than expected	Reading	18%	16%	32%	22%
	Writing	38%	22%	35%	32%
	GPS	54%	35%	46%	45%
	Maths	34%	14%	18%	22%
	Combined	18%	4%	11%	11%
Phonics	Year 1	80%	87%	86%	84%
	Year 2	33%	50%	70%	50%
EYFS	GLD	78%	73%	80%	77%

Eleanor Smith

There are no national indicators or benchmarks for Eleanor Smith as a Special School. Eleanor Smith School considers a range of different assessment information that supports personalised progress for all the pupils. Pupils make excellent progress from their starting points in all key areas of learning as a result of the high quality teaching and support they receive. The school continues to have no pupils "Not in Education, Employment or Training" (NEETs). The small group of pupils in Year 11 undertook qualifications in Functional Skills English and mathematics. Some of these pupils undertook GCSE English, mathematics, art and Religious Education. There was significant reduction in the number of fixed term exclusions, and a significant rise in pupil attendance.

Key Performance Indicators

The Academy operates in line with the requirements of its Funding Agreement with the ESFA and manages its reserves in line with the policies set out on page 31.

The main KPI in the year 2018-2019 for each of the schools in the Trust was the Ofsted Common Inspection Framework (CIF). Inspectors must judge the quality of the education provided by each school. This is an overarching judgement made by inspecting the following areas:

- The effectiveness of leadership and management
- The quality of teaching, learning and assessment
- Personal development, behaviour and welfare
- Outcomes for pupils
- The effectiveness of the early years' provision

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

In addition, inspectors must consider:

- The spiritual, moral, social and cultural development of the pupils in each school
- The extent to which the education provided by each school meets the needs of the range of pupils in the school and in particular the pupils who have a disability for the purposes of the Equality Act 2010 and those who have special educational needs

The Trust self-assessment is that Gainsborough, Kaizen and Earlham would be found outstanding; Eleanor Smith would be judged good.

Going Concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Following a year of investment in the Trust which saw an in year operating loss, the Trust is focused for future periods on ensuring that costs are less than income to support the further increase in total reserves. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

Most of the Trust's income is obtained from the Education Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. During the period ended 31 August 2019, total expenditure of £14,092,569 (2018 - £14,039,640) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £1,242,316 (2018 - £1,034,396). At 31 August 2019 the net book value of fixed assets was £19,713,900 (2018 - £19,702,969). Movements in tangible fixed assets are shown in Note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust. The Newham Council Pension Fund, in which the Academy participates, showed a deficit of £5,686,000 (2018 - £3,912,000) at 31 August 2019.

Reserves Policy

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately 5-10% of total grant income. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust has a current level of free reserves of £584,335 (4% of funds) (total funds less the amount held in fixed assets and restricted funds), and the Directors expect to utilise the additional reserves in the coming period.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

At 31 August 2019 the total funds comprised:

Unrestricted	£584,335
Restricted: Fixed asset funds	£19,758,004
Pension reserve	£(5,686,000)
	<u>£14,656,339</u>

Investment Policy

Under the Memorandum and Articles of Association, the Trust has the power to invest funds not immediately required for its own purposes, in any way the Directors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal Risks and Uncertainties

Financial and Risk management objectives and policies Risk management

The Directors have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust and its finances. The Directors have implemented a number of systems to assess risks that the Trust's schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Directors are introducing systems, including operational procedures of internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls.

FUNDRAISING

The Trust's fundraising activities are currently limited to small fundraising events such as school fetes, plays, concerts, quiz nights and non-uniform days.

PLANS FOR FUTURE PERIODS

Eko Trust will continue to improve levels of performance for all children and young people, in terms of their academic outcomes, how they are able to look after their own wellbeing and the contributions they make to society. Eko Trust schools use thorough self-evaluation to ensure there is a very good understanding about strengths and areas for development. The self-evaluation mechanisms are based on rigorous analysis of data, effective monitoring of teaching and learning by pupils in lessons and through detailed work scrutiny and a thorough collection of pupils' views and opinions. Eko Trust makes good use of external validation from a range of partners to secure accurate judgements on the quality of provision and subsequent outcomes achieved. The teaching school for Eko Trust continues to contribute very effectively to the development of a school led system, especially for school to school support, continuing professional development and leadership development and Initial Teacher Education. Eko Trust has identified five strategic priority in 2019/20 and adequate resources have been targeted to meet these aims:

- To ensure that progress and attainment data is above national in all schools. (That the dip in attainment and progress rapidly improves at the end of Key Stage 2 at Gainsborough).
- To ensure that the quality of education provided by each school is at least good or better.
- To ensure that there is a successful induction and transition for the two new Eko Trust schools
- To ensure that the newly appointed executive and central team support and challenge schools effectively.
- To ensure that there is growth within the year of at least one school.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

SIGNIFICANT EVENTS AFTER ACCOUNTING PERIOD

On 1 September 2019, Eko Trust welcomed Pathways School to the Trust; a Free Special School for pupils with Social, Emotional and Mental Health, based in Barking and Dagenham. On the 1 of November Hackney New Primary School, a two form primary based in the London Borough of Hackney, joined the Trust. Eleanor Smith moved in to new purpose build accommodation from 1 September 2019.

AUDITOR

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 16 December 2019 and signed on the board's behalf by:


Philippa King
Chair of Trustees

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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019**

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **Board of Trustees** has formally met 7 times during the year.

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

Name	Meetings Attended	Out of a Possible
Mehreen Ara	4	7
Chris Brown (resigned 13/12/18)	1	2
Roger Hawksworth (resigned 23/5/19)	1	5
Sue Hellman	4	7
Rebekah Iyambo	7	7
Philippa King	7	7
Ruth Martin (resigned 24/4/19)	1	4
Kai Muxlow	7	7
Kishor Parukelar	6	7
Julian Robinson	7	7
Carmen Rodney	6	7
Daulat Sen (appointed 17/12/18)	5	5
Deborah Strain	7	7

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019**

Governance reviews:

All new academy trusts must carry out a review of governance in their first year. Established trusts should do this on an annual basis. The outcome should be presented here.

- The Trust Board undertook a self-evaluation exercise at its strategic awayday held in May 2019. This was in two parts – evaluation against the ICOSA Governance Maturity Matrix and
- As a result of this exercise an action plan has been drafted for 2019/20. The priorities will be ensuring that:
 - all LGBs effectively hold their schools to account and are sharply focused on performance
 - the Trust Board and LGBs work with schools to ensure readiness for inspection under the new Ofsted framework
 - new schools are effectively inducted into the Trust
 - stakeholder engagement is effective;

The **Finance and Audit Committee** is a sub-committee of the main board of Trustees. Its purpose is to:

Review budget monitoring reports
Propose the budgets for subsequent years
Review risk register
Long term financial planning
Review accounts and audit

The **HR and Pay Committee** is also a sub-committee of the main board of Trustees. Its purpose is to:

Review and recommend annual staff pay awards
Review HR policies
Monitor staffing across the Trust
Oversee staff development, wellbeing and workload management

The **Performance Committee** is also a sub-committee of the main board of Trustees. Its purpose is to:

Review and recommend performance targets
Monitor academy performance
Oversee the effectiveness of Trust and Academy plans
Monitor the performance of the Local Governing Bodies

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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019**

Attendance at committee meetings in the year was as follows:

	Meetings Attended	Out of a Possible
Performance Committee		
Mehreen Ara	3	4
Sue Hellman	2	4
Carmen Rodney	3	4
Philippa King	2	2
Deborah Strain	4	4
HR Committee		
Chris Brown	1	2
Rebekah Iiyambo	4	4
Philippa King	2	2
Ruth Martin	0	3
Daulat Sen	2	2
Finance and Audit Committee		
Roger Hawskworth	0	3
Kishor Parukelar	3	4
Kai Muxlow	4	4
Julain Robinson	4	4

REVIEW OF VALUE FOR MONEY

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

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

- Working together to share and develop expertise
- Where appropriate, having trust-wide service level agreements with external providers
- Enhancing financial controls and procedures throughout the Trust, specifically directed at achieving value for money, for example by competitive tendering
- Employing and commissioning high quality advice to support the self-evaluation of administrative procedures.

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 Eko Trust for the period 1st September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to request that the school business management team conduct quality assurance testing at each location to ensure consistency and quality of practice
- to request external support via the LA bursar service
- to use the services of Tridan Business Concepts to provide expert internal audit support

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- HR and recruitment
- Single Central Record

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019**

On a monthly basis, the reviewer reports to the board of Trustees, through the leadership group on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

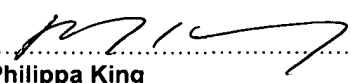
REVIEW OF EFFECTIVENESS

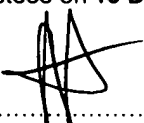
As accounting officer, the **Chief Executive Officer** has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of Internal Audit, provided by Tridan Business Concepts
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Trustees on **16 December 2019** and signed on its behalf by:


.....
Philippa King
Chair of Trustees


.....
Rebekah Iiyambo
Accounting Officer

EKO TRUST


(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Eko Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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 2018.

I confirm that I and the Trust Board of Trustees 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 2018.

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



.....
R Iiyambo
Accounting Officer
Date: 16/12/19

EKO TRUST

(A Company Limited by Guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 16 December 2019 and signed on its behalf by:



P King
Chair of Trustees

EKO TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EKO TRUST

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

EKO TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EKO TRUST (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' 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 Trustees' Report including the Strategic Report.

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

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

EKO TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EKO TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

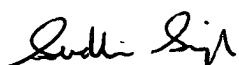
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable 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 Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of

Reporting Accountant

Chartered Accountants & Statutory Auditors

New Bridge Street House

30-34 New Bridge Street.

London

EC4V 6BJ

Date: 20 December 2019

EKO TRUST

(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 5 December 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Eko Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Eko Trust's Accounting Officer and the Reporting Accountant

The accounting officer is responsible, under the requirements of Eko Trust's funding agreement with the Secretary of State for Education dated 5 December 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

EKO TRUST

(A Company Limited by Guarantee)

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

MHA MacIntyre Hudson

MHA MacIntyre Hudson

Reporting Accountant

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: *20 December 2019*

EKO TRUST

(A Company Limited by Guarantee)

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

		Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	As restated Total funds 2018 £
	Note					
Income from:						
Donations and capital grants:	4					
Transfers on conversion		-	-	-	-	7,502,033
Other donations and capital grants		970	-	98,410	99,380	26,406
Charitable activities	5	304,480	11,852,585	-	12,157,065	11,859,873
Other trading activities	6	244,988	-	-	244,988	368,285
Investments	7	657	-	-	657	880
Total income		551,095	11,852,585	98,410	12,502,090	19,757,477
Expenditure on:						
Charitable activities	9	627,711	13,018,285	446,573	14,092,569	14,039,640
Total expenditure	8	627,711	13,018,285	446,573	14,092,569	14,039,640
Net expenditure		(76,616)	(1,165,700)	(348,163)	(1,590,479)	5,717,837
Transfers between funds	20	(480,403)	77,205	403,198	-	-
Net movement in funds before other recognised gains/(losses)		(557,019)	(1,088,495)	55,035	(1,590,479)	5,717,837
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(1,004,000)	-	(1,004,000)	1,087,000
Net movement in funds		(557,019)	(2,092,495)	55,035	(2,594,479)	6,804,837

EKO TRUST**(A Company Limited by Guarantee)**

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	As restated Total funds 2018 £
Note					
Reconciliation of funds:					
Total funds brought forward (as restated)	1,141,354	(3,593,505)	19,702,969	17,250,818	10,445,981
Net movement in funds	(557,019)	(2,092,495)	55,035	(2,594,479)	6,804,837
Total funds carried forward	584,335	(5,686,000)	19,758,004	14,656,339	17,250,818

The notes on pages 31 to 66 form part of these financial statements.

EKO TRUST

(A Company Limited by Guarantee)
REGISTERED NUMBER: 10279605

**BALANCE SHEET
AS AT 31 AUGUST 2019**

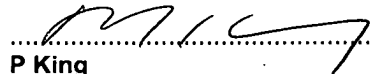
	Note	2019 £	As restated 2018 £
Fixed assets			
Tangible assets	16	19,713,900	19,702,969
		<u>19,713,900</u>	<u>19,702,969</u>
Current assets			
Debtors	17	933,554	1,105,621
Cash at bank and in hand		688,797	1,665,408
		<u>1,622,351</u>	<u>2,771,029</u>
Creditors: amounts falling due within one year	18	(964,553)	(1,311,180)
Net current assets		<u>657,798</u>	<u>1,459,849</u>
Total assets less current liabilities		<u>20,371,698</u>	<u>21,162,818</u>
Provisions for liabilities	19	(29,359)	-
Net assets excluding pension liability		<u>20,342,339</u>	<u>21,162,818</u>
Defined benefit pension scheme liability	26	(5,686,000)	(3,912,000)
Total net assets		<u><u>14,656,339</u></u>	<u><u>17,250,818</u></u>
Funds of the Trust			
Restricted funds:			
Restricted fixed asset funds	20	19,758,004	19,702,969
Restricted general funds	20	-	318,495
		<u>19,758,004</u>	<u>20,021,464</u>
Restricted funds excluding pension liability	20	19,758,004	20,021,464
Restricted general funds - pension reserve	20	(5,686,000)	(3,912,000)
Total restricted funds	20	<u>14,072,004</u>	<u>16,109,464</u>
Unrestricted funds	20	<u>584,335</u>	<u>1,141,354</u>
Total funds		<u><u>14,656,339</u></u>	<u><u>17,250,818</u></u>

The financial statements on pages 26 to 66 were approved by the Trustees, and authorised for issue on 16 December 2019 and are signed on their behalf, by:

EKO TRUST

(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019



P King
Chair of Trustees

The notes on pages 31 to 66 form part of these financial statements.

EKO TRUST**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(618,174)	88,503
Cash flows from investing activities	24	(358,437)	(55,717)
Cash flows from financing activities	23	-	531,033
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(976,611)	563,819
Cash and cash equivalents at the beginning of the year		1,665,408	1,101,589
Cash and cash equivalents at the end of the year	25	688,797	1,665,408
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 31 to 66 form part of these financial statements

EKO TRUST

(A Company Limited by Guarantee)

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

1. General information

Eko Trust is a company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operation are detailed on page 1. The nature of the Trust's operations and principal activity are detailed in the Trustees' Report.

2. Accounting policies

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

2.1 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Eko Trust meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling which is the functional currency of the Trust and rounded to the nearest whole pound.

2.2 Prior year adjustments

The 2018 comparative for unrestricted other educational income has been restated to reflect total income in relation to educational consultancy work, which had previously been netted off against unrestricted wages and salary expenditure. This restatement has no impact on the 2018 gain.

The 2018 comparative for PFI lease disclosure (Note 27) has been restated to reflect the lease commitment being to 31 August 2028 instead of 31 March 2028.

A material error has been identified in relation to the leasehold property for Lawson Close of Eleanor Smith School on information which has come to light this year. The basis recognition of the donated asset on valuation was incorrect when the academy converted on 1 November 2016. As such an adjustment has been made to the prior year financial statements. Items and balances that have been restated have been marked as such, further details can be found in Note 31.

2.3 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

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

2. Accounting policies (continued)

2.4 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.

• **Sponsorship income**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **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.

2.5 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. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Charitable activities**

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

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

2. Accounting policies (continued)

2.5 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

2.6 Interest receivable

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

2.7 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, a transfer is made to the restricted fixed asset fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land and buildings	- over the life of the lease (between 5 and 125 years)
Furniture and equipment	- 5 years straight line
Computer equipment	- 5 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

2.8 Debtors

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

2.9 Cash at bank and in hand

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

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

2. Accounting policies (continued)**2.10 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.

2.11 Provisions

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

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

2.12 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 17. 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 note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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

2. Accounting policies (continued)

2.13 PFI contract and donated assets

The buildings used by Kaizen Primary School, a school within Eko Trust, were constructed under a Private Finance Initiative (PFI) contract between London Borough of Newham and a private contractor. The project was completed prior to the school's conversion to Academy status. On conversion, the Trust entered into a School Agreement with London Borough of Newham which transferred certain funding obligations under the PFI Contract to the Trust. This contract is due to end on 28 February 2028.

PFI related contract payments

The Trust is responsible for the revenue costs of maintaining the facilities and annual services included in the contract e.g. catering, rates and insurance. The payments made to London Borough of Newham in respect of the PFI Contract unitary charge relating to these revenue costs are therefore expensed in the Statement of Financial Activities in the period to which they relate.

Operating contract payment obligations are disclosed at current payment value through to expiry of the contract. This long term commitment is not discounted since Indexation is applied to contractual payments under the contract on an annual basis and any difference to a relevant discount rate is considered to not be material.

Land and buildings

The land and buildings are leased to the Trust by London Borough of Newham on a long (125 year) lease.

As the Trust takes on the risks and rewards associated with the land and buildings, including the long term maintenance of the property once the PFI Contract has ended, the land and buildings are capitalised as fixed assets on the Trust's balance sheet at a valuation which approximates to that as at the date of conversion using the depreciated replacement cost basis. The building element is then depreciated over its useful economic life, currently deemed to be 50 years, as stated in Policy 2.7.

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

2. Accounting policies (continued)

2.14 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

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.

2.15 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 Trustees.

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

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

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

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

3. 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The initial valuation undertaken for the Lawson Close leasehold property was assumed on a 125 year lease basis. No professional valuation has been undertaken on a 3 year basis, therefore a net present value calculation has been determined from annual rent yields assumptions. This has factored into the prior year adjustment calculations as set out in Note 2.2 and Note 31.

Any changes in the valuation of the leasehold property (see Note 16) would impact the total net assets of the Trust.

EKO TRUST**(A Company Limited by Guarantee)**

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

4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Transfers on conversion	-	-	-	-
Donations	970	-	-	970
DfE / ESFA capital grants	-	-	53,326	53,326
Other capital grants	-	-	45,084	45,084
Subtotal	970	-	98,410	99,380
Total 2019	970	-	98,410	99,380

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Transfers on conversion	531,033	(128,000)	7,099,000	7,502,033
Donations	1,003	-	-	1,003
Capital grants	-	-	25,403	25,403
Subtotal	1,003	-	25,403	26,406
Total 2018	532,036	(128,000)	7,124,403	7,528,439

EKO TRUST**(A Company Limited by Guarantee)**

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

5. Charitable activities - Funding for the Trust's educational operations

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	7,250,493	7,250,493
Pupil Premium	-	412,033	412,033
Other DfE / ESFA revenue grants	-	408,256	408,256
	-	8,070,782	8,070,782
Other government grants			
Local Authority revenue grants	-	2,781,740	2,781,740
Other government revenue grants	-	978,748	978,748
	-	3,760,488	3,760,488
Other funding			
Other educational income	304,480	21,315	325,795
Total 2019	304,480	11,852,585	12,157,065

There were no unfulfilled conditions or other contingencies attached to the government grants above.

EKO TRUST**(A Company Limited by Guarantee)**

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

	As restated Unrestricted funds 2018 £	Restricted general funds 2018 £	As restated Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	7,529,593	7,529,593
Pupil Premium	-	582,214	582,214
Start Up Grants	-	50,000	50,000
Other DfE / ESFA revenue grants	-	315,186	315,186
	-	8,476,993	8,476,993
Other government grants			
Local Authority revenue grants	-	2,219,210	2,219,210
Other government revenue grants	-	740,485	740,485
	-	2,959,695	2,959,695
Other funding			
Other educational income	403,196	19,989	423,185
Total 2018	403,196	11,456,677	11,859,873

6. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Rental income	2,880	2,880	1,830
Catering income	6,308	6,308	13,064
Receipts from supply teacher claims	-	-	22,060
Other self generated income	235,800	235,800	331,331
Total 2019	244,988	244,988	368,285

In 2018, all Income from other trading activities was allocated to Unrestricted funds.

EKO TRUST**(A Company Limited by Guarantee)**

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

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	657	657	880

In 2018, all Income from investments was allocated to Unrestricted funds.

8. Total expenditure

	Staff costs 2019 £	Premises costs 2019 £	Other costs 2019 £	Total 2019 £
Educational operations:				
Direct costs	8,100,094	-	1,244,015	9,344,109
Support costs	2,681,878	814,527	1,252,055	4,748,460
Total 2019	10,781,972	814,527	2,496,070	14,092,569

	As restated Staff Costs 2018 £	Premises costs 2018 £	As restated Other costs 2018 £	As restated Total 2018 £
Educational operations:				
Direct costs	8,125,869	-	899,056	9,024,925
Support costs	2,755,453	886,195	1,373,067	5,014,715
Total 2018	10,881,322	886,195	2,272,123	14,039,640

In 2018 as restated, of the total expenditure of £14,039,640, £828,823 was from Unrestricted funds, £12,838,647 was from Restricted general funds, and £372,170 was from Restricted fixed asset funds.

EKO TRUST**(A Company Limited by Guarantee)**

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

9. Analysis of expenditure by charitable activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational operations	<u>9,344,109</u>	<u>4,748,460</u>	<u>14,092,569</u>

	As restated Activities undertaken directly 2018 £	As restated Support costs 2018 £	As restated Total funds 2018 £
Educational operations	<u>9,024,925</u>	<u>5,014,715</u>	<u>14,039,640</u>

Analysis of support costs

	Educational operations 2019 £	Total funds 2019 £	As restated Total funds 2018 £
Defined benefit pension scheme finance cost	100,000	100,000	103,000
Staff costs	2,581,878	2,581,878	2,652,453
Depreciation	446,573	446,573	365,003
Technology costs	19,126	19,126	11,343
Premises costs	814,527	814,527	886,195
Other costs	757,031	757,031	968,021
Governance costs	29,325	29,325	28,700
Total 2019	<u>4,748,460</u>	<u>4,748,460</u>	<u>5,014,715</u>

EKO TRUST**(A Company Limited by Guarantee)**

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

10. Governance costs

	2019 £	2018 £
Auditors' remuneration - Audit of the financial statements	18,500	18,150
Auditors' remuneration - Other services	10,825	10,550
	<u>29,325</u>	<u>28,700</u>

11. Net expenditure

Net expenditure for the year includes:

	2019 £	As restated 2018 £
Operating lease rentals	441,504	471,318
Depreciation of tangible fixed assets	446,573	365,003
Fees paid to auditor for:		
- Audit of the financial statements	18,500	18,150
- Other services	10,825	10,550
	<u>466,898</u>	<u>454,021</u>

EKO TRUST**(A Company Limited by Guarantee)**

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

12. Staff costs**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	As restated 2018 £
Wages and salaries	7,691,972	7,557,088
Social security costs	784,940	682,950
Pension costs	1,668,908	2,033,116
	<u>10,145,820</u>	<u>10,273,154</u>
Agency staff costs	536,152	501,585
Staff restructuring costs	-	3,583
Defined benefit pension scheme finance cost	100,000	103,000
	<u>10,781,972</u>	<u>10,881,322</u>

For the year ending 31 August 2019, costs relating to the Apprenticeship Levy have been disclosed within social security costs, rather than separately.

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	-	3,583
	<u>-</u>	<u>3,583</u>

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

There were no non-statutory/non-contractual severance payments arising in the year (2018 - a payment made of £3,583 to an individual employee).

EKO TRUST**(A Company Limited by Guarantee)**

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

12. Staff costs (continued)**c. Staff numbers**

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

	2019 No.	As restated 2018 No.
Teachers	77	70
Management	26	21
Administration and support	182	181
	285	272

In the previous year, the average number of Teaching Assistants was disclosed separately. These are now reported within Administration and Support.

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	8	3
In the band £70,001 - £80,000	2	3
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	3	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

The above employees participated in both the Teachers' Pension Scheme and the Local Government Pension Scheme. During the year ended 31 August 2019, employer pension contributions for these staff members amounted to £186,486 (2018 - £92,745).

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Senior Leadership Team. The total amount of employee benefits (including employer national insurance contributions and employer pensions contributions) received by key management personnel for services to the Trust was £627,591 (2018 - £559,589).

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

13. Central services

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

- Human Resources
- Financial services
- Legal services
- Educational support services
- Administrative support services
- Insurance

The Trust charges for these services on the following basis:

A percentage of income - 6% (2018 - 6%) of GAG and Higher Needs funding.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Kaizen Primary School	151,314	140,287
Gainsborough Primary School	166,446	166,882
Eleanor Smith School	150,131	137,874
Earlham Primary School	127,053	104,658
Total	594,944	549,701

EKO TRUST**(A Company Limited by Guarantee)**

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

14. Trustees' remuneration and expenses

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

		2019 £	2018 £
R liyambo, CEO and Accounting Officer	Remuneration	120,000 -	115,000 -
		125,000	120,000
	Pension contributions paid	20,000 -	15,000 -
		25,000	20,000
D Strain	Remuneration	90,000 -	30,000 -
		95,000	35,000
	Pension contributions paid	15,000 -	5,000 -
		20,000	10,000
K Muxlow	Remuneration	65,000 -	25,000 -
		70,000	30,000
	Pension contributions paid	10,000 -	0 - 5,000
		15,000	

The above salary for R Liyambo includes £5,000 (2018 - £5,000) in respect of the role of CEO of EKO Trust in addition to the salary of Headteacher of Kaizen Primary School.

During the year ended 31 August 2019, expenses totalling £463 were reimbursed or paid directly to 3 Trustees (2018 - £238 to 3 Trustees) for travel expenses.

15. Trustees' and Officers' insurance

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

EKO TRUST**(A Company Limited by Guarantee)**

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

16. Tangible fixed assets

	Leasehold land and buildings £	Assets under construct- -ion £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2018 (as previously stated)	20,390,000	220,000	187,676	547,646	19,950	21,365,272
Prior Year Adjustment	(1,054,302)	-	-	-	-	(1,054,302)
At 1 September 2018 (as restated)	19,335,698	220,000	187,676	547,646	19,950	20,310,970
Additions	100,000	-	236,630	120,874	-	457,504
Transfers between classes	220,000	(220,000)	-	-	-	-
At 31 August 2019	19,655,698	-	424,306	668,520	19,950	20,768,474
Depreciation						
At 1 September 2018 (as previously stated)	270,266	-	53,558	166,682	6,096	496,602
Prior Year Adjustment	111,399	-	-	-	-	111,399
At 1 September 2018 (as restated)	381,665	-	53,558	166,682	6,096	608,001
Charge for the year	224,683	-	84,860	133,705	3,325	446,573
At 31 August 2019	606,348	-	138,418	300,387	9,421	1,054,574
Net book value						
At 31 August 2019	19,049,350	-	285,888	368,133	10,529	19,713,900
At 31 August 2018 (as restated)	18,954,033	220,000	134,118	380,964	13,854	19,702,969

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

16. Tangible fixed assets (continued)

Included in leasehold land and buildings in leasehold land at valuation of £9,609,850 (2018 - £9,609,850) which is not depreciated.

The leasehold property for Eleanor Smith School, Gainsborough Primary School and Kaizen Primary School was professionally valued on 1 November 2016 by a representative of the London Borough of Newham, a RICS Registered Valuer, using the Depreciated Replacement Cost method. The Trustees consider that the valuation remains appropriate for the purposes of these financial statements.

The leasehold property at Lawson Close for Eleanor Smith School was incorrectly used in the professional valuation as assumptions included this on a 125 year basis. However the lease is for 3 years from 1 November 2016 to 31 October 2019. The prior year adjustment is in respect of this material error identified on information which has come to light in the current year.

The leasehold property for Earlham Primary School was professionally valued on 1 October 2017 by a representative of the London Borough of Newham, a RICS Registered Valuer, using the Depreciated Replacement Cost method. The Trustees consider that the valuation remains appropriate for the purposes of these financial statements.

17. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	315,402	206,570
Other debtors	151,012	177,845
Prepayments and accrued income	467,140	721,206
	<u>933,554</u>	<u>1,105,621</u>

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

18. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	262,906	176,089
Other taxation and social security	192,358	197,783
Other creditors	3,551	118,679
Accruals and deferred income	505,738	818,629
	<u>964,553</u>	<u>1,311,180</u>
	2019 £	2018 £
Deferred income		
Deferred income at 1 September	580,617	87,983
Resources deferred during the year	302,977	580,617
Amounts released from previous periods	(580,617)	(87,983)
Deferred income at 31 August	<u>302,977</u>	<u>580,617</u>

At the Balance Sheet date, the Trust was holding funds received in advance relating to Local Authority revenue grants and capital grants for building renovations for the 2019/20 academic year.

19. Provisions

	2019 £ High Needs grant clawback £
Additions	29,359
	<u>29,359</u>

At the Balance Sheet date, the Trust was holding funds relating to High Needs grant income, of which there is a high likelihood the funds will be clawed back by the Local Authority in the future.

EKO TRUST**(A Company Limited by Guarantee)**

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

	As restated Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted general funds	1,141,354	551,095	(627,711)	(480,403)	-	584,335
Restricted general funds						
General Annual Grant (GAG)	318,495	7,250,493	(7,618,368)	49,380	-	-
Pupil Premium	-	412,033	(412,033)	-	-	-
Other DfE / ESFA revenue grants	-	408,256	(408,256)	-	-	-
Local Authority revenue grants	-	2,781,740	(2,781,740)	-	-	-
Other government revenue grants	-	978,748	(978,748)	-	-	-
Other educational income	-	21,315	(49,140)	27,825	-	-
Pension reserve	(3,912,000)	-	(770,000)	-	(1,004,000)	(5,686,000)
	(3,593,505)	11,852,585	(13,018,285)	77,205	(1,004,000)	(5,686,000)
Restricted fixed asset funds						
NBV of fixed assets	19,702,969	-	(446,573)	457,504	-	19,713,900
DfE / ESFA capital grants	-	53,326	-	(39,422)	-	13,904
Other government capital grants	-	45,084	-	(14,884)	-	30,200

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
	<u>19,702,969</u>	<u>98,410</u>	<u>(446,573)</u>	<u>403,198</u>	<u>-</u>	<u>19,758,004</u>
Total Restricted funds	<u>16,109,464</u>	<u>11,950,995</u>	<u>(13,464,858)</u>	<u>480,403</u>	<u>(1,004,000)</u>	<u>14,072,004</u>
Total funds	<u><u>17,250,818</u></u>	<u><u>12,502,090</u></u>	<u><u>(14,092,569)</u></u>	<u><u>-</u></u>	<u><u>(1,004,000)</u></u>	<u><u>14,656,339</u></u>

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

Unrestricted general funds represent the income and expenditure in respect of general activities undertaken by the Trust. A transfer of £403,198 has been made to the NBV of fixed assets fund for capital purchases made with unrestricted funds. Transfers of £49,380 and £27,825 were made to the GAG and Other Educational income funds, respectively, to compensate for overspending in the year.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Trust via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been established because the GAG must be used for the normal running costs of the Trust.

The Pupil Premium fund represents the restricted funding received from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE / ESFA revenue grants fund represents the restricted funding received from the Department for Education / Education and Skills Funding Agency which fall outside the scope of core funding.

The Local Authority revenue grants fund represents the income received from London Borough of Newham as a contribution towards the cost of the Trust's revenue expenditure. Funding received for Special Educational Needs is also recognised within Local Authority Grants. These funds are to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The Other Government revenue grants fund represents the restricted funding received from all other Government bodies which fall outside the scope of core funding.

The Other Educational income fund represents all other restricted income and expenditure which falls outside the scope of the Trust's core funding.

The Pension reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised. The fund is in deficit, but given the nature of the liability, this is not payable immediately. Plans are in place to meet the deficit.

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

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE / ESFA capital grants fund represents capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Asset funds. A transfer of £39,422 was made for this purpose this year.

The Other government capital grants fund represents capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of fixed asset funds. A transfer of £14,884 was made for this purpose this year.

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 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	As restated 2018 £
Eleanor Smith School	109,102	27,527
Gainsborough Primary School	184,473	407,746
Kaizen Primary School	163,217	300,056
Earlham Primary School	90,732	604,977
Central Services	36,811	119,543
Total before fixed asset funds and pension reserve	584,335	1,459,849
Restricted fixed asset fund	19,758,004	19,702,969
Pension reserve	(5,686,000)	(3,912,000)
Total	14,656,339	17,250,818

EKO TRUST**(A Company Limited by Guarantee)**

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

20. Statement of funds (continued)**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Eleanor Smith School	1,772,281	676,018	149,976	242,853	2,841,128
Gainsborough Primary School	2,178,484	369,548	290,811	164,874	3,003,717
Kaizen Primary School	2,153,032	332,401	334,098	478,579	3,298,110
Earlham Primary School	1,674,057	385,613	348,547	257,168	2,665,385
Central Services	322,240	918,298	120,583	476,535	1,837,656
Trust	8,100,094	2,681,878	1,244,015	1,620,009	13,645,996

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20. Statement of funds (continued)

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

	As restated Balance at 1 September 2017 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted general funds	722,377	1,304,397	(828,823)	(56,597)	-	1,141,354
Restricted general funds						
General Annual Grant (GAG)	324,465	7,529,593	(7,535,563)	-	-	318,495
Pupil Premium	-	582,214	(582,214)	-	-	-
Start Up Grants	-	50,000	(50,000)	-	-	-
Other DfE / ESFA revenue grants	-	315,186	(315,186)	-	-	-
Local Authority revenue grants	-	2,219,210	(2,219,210)	-	-	-
Other government revenue grants	-	740,485	(740,485)	-	-	-
Other educational income	-	19,989	(19,989)	-	-	-
Pension reserve	(3,495,000)	(128,000)	(1,376,000)	-	1,087,000	(3,912,000)
	<u>(3,170,535)</u>	<u>11,328,677</u>	<u>(12,838,647)</u>	<u>-</u>	<u>1,087,000</u>	<u>(3,593,505)</u>
Restricted fixed asset funds						
NBV of fixed assets	12,894,139	7,099,000	(372,170)	82,000	-	19,702,969

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

	As restated Balance at 1 September 2017 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
DfE / ESFA capital grants	-	25,403	-	(25,403)	-	-
	<u>12,894,139</u>	<u>7,124,403</u>	<u>(372,170)</u>	<u>56,597</u>	<u>-</u>	<u>19,702,969</u>
Total Restricted funds	<u>9,723,604</u>	<u>18,453,080</u>	<u>(13,210,817)</u>	<u>56,597</u>	<u>1,087,000</u>	<u>16,109,464</u>
Total funds	<u>10,445,981</u>	<u>19,757,477</u>	<u>(14,039,640)</u>	<u>-</u>	<u>1,087,000</u>	<u>17,250,818</u>

21. Analysis of net assets between funds**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	19,713,900	19,713,900
Current assets	1,578,247	-	44,104	1,622,351
Creditors due within one year	(964,553)	-	-	(964,553)
Creditors due after one year	(29,359)	(5,686,000)	-	(5,715,359)
Total	<u>584,335</u>	<u>(5,686,000)</u>	<u>19,758,004</u>	<u>14,656,339</u>

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21. Analysis of net assets between funds (continued)**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £	Restricted general funds 2018 £	As restated Restricted fixed asset funds 2018 £	As restated Total funds 2018 £
Tangible fixed assets	-	-	19,702,969	19,702,969
Current assets	2,452,534	318,495	-	2,771,029
Creditors due within one year	(1,311,180)	-	-	(1,311,180)
Creditors due after one year	-	(3,912,000)	-	(3,912,000)
Total	1,141,354	(3,593,505)	19,702,969	17,250,818

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

	2019 £	As restated 2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,590,479)	5,717,837
Adjustments for:		
Depreciation	446,573	365,003
Loss on the sale of fixed assets	(98,410)	(25,403)
Interest income	(657)	(880)
Defined benefit pension scheme obligation inherited	-	128,000
(Decrease)/increase in provisions	670,000	1,273,000
Defined benefit pension scheme finance cost	100,000	103,000
Decrease/(increase) in debtors	172,067	(23,218)
(Decrease)/increase in creditors	(346,627)	174,030
Net assets and liabilities excluding pension from local authority on conversion	-	7,167
Net assets and liabilities excluding pension from local authority on conversion	-	(7,630,033)
(Decrease)/increase in provisions	29,359	-
Net cash (used in)/provided by operating activities	(618,174)	88,503

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Cash flows from financing activities

	2019 £	2018 £
Cash and net assets transferred on conversion to an Academy Trust	-	531,033
Net cash provided by financing activities	-	531,033

24. Cash flows from investing activities

	2019 £	2018 £
Investment income	657	880
Purchase of tangible fixed assets	(457,504)	(82,000)
Capital grants from DfE Group	53,326	25,403
Capital funding received from sponsors and others	45,084	-
Net cash used in investing activities	(358,437)	(55,717)

25. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	688,797	1,665,408
Total cash and cash equivalents	688,797	1,665,408

**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments

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

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

Contributions amounting to £128,500 were payable to the schemes at 31 August 2019 (2018 - £118,672) and are included within creditors.

Teachers' Pension Scheme**Introduction**

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

The Teachers' Pension Budgeting and Valuation Account

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

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

**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)**Valuation of the Teachers' Pension Scheme**

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

Scheme Changes

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

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

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £645,162 (2018 - £600,011).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 2019 was £498,000 (2018 - £461,000), of which employer's contributions totalled £354,000 (2018 - £313,000) and employees' contributions totalled £ 144,000 (2018 - £148,000). The agreed contribution rates for future years are 15.1 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)**Principal actuarial assumptions**

	2019	2018
	%	%
Rate of increase in salaries	3.65	3.80
Rate of increase for pensions in payment/inflation	2.15	2.30
Discount rate for scheme liabilities	1.90	2.70
Inflation assumption (CPI)	2.15	2.30
Inflation assumption (RPI)	3.15	3.30

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.7	22.7
Females	24.0	25.2
<i>Retiring in 20 years</i>		
Males	23.3	24.9
Females	25.8	27.5

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	(260)	(186)
Discount rate -0.1%	268	192
Mortality assumption - 1 year increase	310	205
Mortality assumption - 1 year decrease	(299)	(199)

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26. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,816,000	1,493,000
Gilts	119,000	86,000
Other bonds	322,000	240,000
Property	317,000	244,000
Cash	251,000	182,000
Alternative assets	379,000	271,000
Total market value of assets	3,204,000	2,516,000

The actual return on scheme assets was £196,000 (2018 - £122,000).

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

	2019 £	2018 £
Current service cost	(914,000)	(1,113,000)
Past service cost	(110,000)	-
Interest income	75,000	54,000
Interest cost	(175,000)	(157,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	(473,000)
Administrative expenses	(2,000)	-
Total amount recognised in the Statement of Financial Activities	(1,126,000)	(1,689,000)

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

26. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	6,428,000	5,071,000
Upon conversion	-	489,000
Current service cost	914,000	1,113,000
Interest cost	175,000	157,000
Employee contributions	144,000	148,000
Actuarial losses/(gains)	1,123,000	(1,021,000)
Benefits paid	(4,000)	(2,000)
Past service costs	110,000	-
Effects of non-routine settlements	-	473,000
At 31 August	8,890,000	6,428,000

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

	2019 £	2018 £
At 1 September	2,516,000	1,576,000
Upon conversion	-	361,000
Interest income	75,000	54,000
Actuarial gains	119,000	66,000
Employer contributions	354,000	313,000
Employee contributions	144,000	148,000
Benefits paid	(4,000)	(2,000)
At 31 August	3,204,000	2,516,000

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**NOTES TO THE FINANCIAL STATEMENTS
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Reconciliation of opening to closing defined benefit pension scheme liability

	2019 £	2018 £
Balance brought forward at 1 September	3,912,000	3,495,000
Defined benefit pension scheme obligation inherited	-	128,000
Defined benefit pension scheme cost less contributions payable	670,000	1,273,000
Defined benefit pension scheme finance cost	100,000	103,000
Actuarial losses/(gains)	1,004,000	(1,087,000)
At 31 August	5,686,000	3,912,000

Amounts recognised in the Balance Sheet are as follows:

	2019 £	2018 £
Present value of the defined benefit obligation	(8,890,000)	(6,428,000)
Fair value of the scheme assets	3,204,000	2,516,000
At 31 August	(5,686,000)	(3,912,000)

27. Operating lease commitments

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

	2019 £	As restated 2018 £
PFI:		
Within 1 year	423,910	417,235
Between 1 and 5 years	1,696,801	1,670,083
After more than 5 years	1,696,801	2,088,461
Total	3,817,512	4,175,779

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	2019 £	2018 £
Other operating leases:		
Within 1 year	11,747	24,266
Between 1 and 5 years	22,894	1,498
Total	34,641	25,764

The buildings used by Kaizen Primary School, a school within Eko Trust, were constructed under a Private Finance Initiative (PFI) contract between the London Borough of Newham and a private contractor. The project was completed prior to the school's conversion to Academy status. Upon conversion, the Academy Trust entered into a School Agreement with the London Borough of Newham (LBN) which transferred certain funding obligations under the PFI contract to the Academy Trust. The balances above therefore include the Trust's contracted obligations to LBN. The contract is due to end on 28 February 2028. Amounts included above are disclosed at 2018/19 annual payment values.

28. Members' liability

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

29. Related party transactions

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

During the year ended 31 August 2019, there were no related party transactions to disclose (2019 - 0).

30. Post balance sheet events

Two new schools have joined the Trust after the year end. Pathways School joined on 1 September 2019 and Hackney New School Primary on 1 November 2019. New building has been provided to Eleanor Smith Primary from the Local Borough of Newham on a 125 year lease after the year end. The Lawson Close site lease ends on 31 October 2019 and will be given back to the Local Authority.

EKO TRUST**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
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31. Prior year adjustment

A material error was identified on information which came to light in the current year regarding the basis of valuation of the leasehold property at Lawson Close for Eleanor Smith School on conversion at 1 November 2016. All of these adjustments are isolated to the Restricted Fixed Asset Fund. These prior year adjustments have had the following impact on total funds and net income/(expenditure):

	£
Reconciliation of Total Funds	
Total Funds as per 2017 signed accounts	11,550,919
Adjustment on transfer on conversion	(1,054,302)
Adjustment on 2017 depreciation charge	(50,636)
Total Funds as restated 2017	10,445,981
Total Funds as per 2018 signed accounts	18,416,519
Adjustments from 2017	(1,104,938)
Adjustment on 2018 depreciation charge	(60,763)
Total Funds as restated 2017	17,250,818
	£
Reconciliation of net income / (expenditure)	
Net income as per 2017 signed accounts	11,806,919
Adjustment on transfer on conversion	(1,054,302)
Adjustment on 2017 depreciation charge	(50,636)
Net income as restated 2017	10,701,981
Net expenditure as per 2018 signed accounts	(5,778,600)
Adjustment on 2017 depreciation charge	(60,763)
Net expenditure as restated 2018	(5,839,363)