

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST

(A company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditors' report on the financial statements	18 - 20
Independent reporting accountant's assurance report on regularity	21 - 22
Statement of financial activities incorporating income and expenditure account	23
Balance sheet	24
Statement of cash flows	25
Notes to the financial statements	26 - 50

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

R Fairchild (appointed 4 May 2018)
P Leverton
R Prout
G Clark
K Friedman (appointed 2 March 2018)

Trustees

P Leverton, Chair of Trustees (resigned 7 December 2017)
M Corrigan, Acting CEO and Principal (appointed 1 September 2017)
M Bottomley
L Bowyer (resigned 17 November 2017)
G Clark, Acting Chair of Trustees (14 November 2018 to 12 December 2018)
J Dann
W Cavell, Chair of Trustees (appointed 12 December 2018)
D Hicks (resigned 11 May 2018)
R Prout
J Rowe, Staff Trustee (resigned 18 April 2018)
D Todd, Staff Trustee
C Wills, Chair of Trustees (07 December 2017- 14 November 2018) (resigned 14 November 2018)
D Fildes (appointed 18 October 2017)
D Gilbert (appointed 18 June 2018)
D Williams (appointed 16 November 2017)

Company registered number

08603078

Company name

Eggbuckland Community College Academy Trust

Registered office

Eggbuckland Community College Academy Trust
Westcott Close
Eggbuckland
Devon
PL6 5YB

Principal operating office

Eggbuckland Community College Academy Trust
Westcott Close
Eggbuckland
Devon
PL6 5YB

Chief executive officer

M Corrigan (Acting CEO and Principal) (appointed 01/09/2017)
K Borowski (resigned 31/08/2017)

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Senior management team

M Corrigan (appointed 01 September 2017), Acting CEO & Principal
S Crawford, Vice-Principal
R Towers, Assistant Principal
E Smith, Assistant Principal
C Randall, Austin Farm, Headteacher
L Worthington, Business Director

Independent auditors

Griffin
Chartered Accountants
165 High Street
Honiton
Devon
EX14 1LQ

Bankers

Lloyds Bank PLC
Royal Parade
Plymouth
PL1 1TX

Solicitors

Browne Jacobson LLP
1 Manor Court
Exeter
EX1 1UP

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Eggbuckland Community College Academy Trust is a Multi-Academy Trust operating two schools in Plymouth. Its academies have a combined pupil capacity of 1,600 and had a roll of 1,148 in the school census on October 2017.

Structure, governance and management

a. CONSTITUTION

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Eggbuckland Community College Academy Trust are also the directors of the charitable company for the purpose of company law.

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

b. 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.

c. TRUSTEES' INDEMNITIES

Trustee's benefit from indemnity insurance purchased at the Academy Trust's expense 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 Academy Trust.

Any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or a breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or a breach of duty or not. Any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Trustees shall be appointed or elected, as the case may be, under the Articles of Association and Funding Agreement.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

In general, the Academy Trust will have the following Trustees:

- The members may appoint up to 1 Trustee
- A minimum of 2 Parent Trustees
- Up to 3 Staff Trustees
- The Principal
- Up to 10 Community Trustees
- The Governor may appoint Co-Opted Trustees subject to the conditions set out in the Articles of Association.

The total number of Trustees who are employees of the Academy Trust (including the Principal) must not exceed one third of the total number of Trustees.

The Principal shall be treated for all purposes as being an ex officio Trustee.

The term of office for any Trustee (except on conversion) is four years with the exception of:

- The Principal
- A Staff Trustee will only hold office for so long as they continue to be employed as a Teacher or member of Support Staff.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Academy Trust has a Trustee Recruitment Pack which is available from the Clerk to Trustees. An Induction and Training policy is in draft form.

The training and induction provided for new Trustees will depend upon their existing experience, but will always include; a meeting with the Principal and (Vice) Chair of Trustees, a tour of the Academies, and a chance to meet staff and students. All Trustees are allocated a mentor Trustee, and are provided with access to the Trustee area on the Academy Trust's Sharepoint Gateway. This area holds a vast amount of information specifically to support, advise and inform Trustees on every aspect of their development in this role. As part of the induction process, their mentor signposts the new Trustees to policies, procedures, minutes, accounts, plans and other documents that they will need to undertake their role as a Trustee.

Advantage is taken of specific courses offered by Trustee Services at the Local Authority and courses from other bodies. There is an annual Academy Trust Governor Development Day on topics brought forward by Trustees. All Trustees are DBS checked, on appointment, and then every three years.

f. ORGANISATIONAL STRUCTURE

The Full Board of Governors

The Full Board of Governors meets at least once each term.

The Trustees establish an overall framework for the governance of the Academy Trust and determine Membership, Terms of Reference and procedures of Committees (and any other working groups). This includes roles and responsibilities for all the Trustees, including the Principal. The Principal may delegate responsibilities to the Leadership Team as and when required.

The Full Board of Governors receives reports, including policies, from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Full Board of Governors may from time to time establish Working Groups to perform specific tasks over a limited timescale.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Finance Committee

The Finance Committee meets at least once per term and is responsible for:

- Monitoring, evaluating and reviewing policy and performance in relation to financial management
- Compliance with reporting and regulatory requirements and reporting
- Receiving reports from the Internal Audit Officer
- Drafting the annual budget including setting staffing levels
- Incorporating the role of an Audit Committee

Curriculum Committee

The Curriculum Committee meets at least once per term and is responsible for:

- Monitoring, evaluating and reviewing Academy policy, practice and performance in relation to curriculum planning
- Monitoring, evaluating and reviewing target setting and assessment, examinations and academic performance
- Monitoring, evaluating and reviewing all pastoral issues, including safeguarding
- Reviewing and evaluating stakeholder communications

Personnel Committee

The Personnel Committee meets at least once per term and is responsible for:

- Ensuring that the Trust fulfils its duties as an employer, appoints staff and determines staffing structure
- Considering and approving policies regarding all aspects of employment, including procedures for recruitment, appointment and management of staff
- Making recommendations on staffing needs to meet the requirements of the curriculum, within the constraints of the budget set by the Finance Committee

Buildings and Premises Committee

The Buildings and Premises Committee meets at least once per term and is responsible for:

- Ensuring that Premises Improvement Plans relating to the premises are implemented
- Making recommendations for future financial planning in relation to the Site Improvement Plans
- Approving and monitoring asset management plan transactions
- Monitoring and reviewing all aspects of maintenance and improvement or repair to buildings, grounds and plant
- Advising the Trust on its responsibilities under Health & Safety legislation
- Monitoring the use of the premises both during and outside College/School hours, in accordance with any general rules (direction) set by the Academy and Special Educational Needs & Disability (SEND) Act

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The key management personnell's pay and remuneration are appraised annually as a part of the teaching staff appraisal cycle set by the Trust's Appraisal-Teachers policy.

Each member of the key management personnel's performance will be formally assessed in respect of each appraisal period. In assessing the performance of the Principal, the Trust must consult the external adviser.

This assessment is the end point to the annual appraisal process, but performance and development priorities will be reviewed and addressed on a regular basis throughout the year in interim meetings which will take place.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Each key personnel will receive their written appraisal report by 31 October (31 December for the Principal) which will include:

- Details of that member's objectives for the appraisal period in question;
- An assessment of the member's professional development needs and identification of any action that should be taken to address them;
- A recommendation on pay where that is relevant with recommendations to be made by 31 December for the Principal and by 31 October for the other key management personnel;
- Any other relevant comments that reflect the member's professional contribution to the College/school life.

For key management personnel who are in a non-teaching role, the setting of pay and remuneration is decided by the pay scale they are appointed at which is commensurate to their duties and responsibilities. Their annual increment takes effect on 1 October each year until the maximum point of the pay grade is reached. Their appraisal is carried out in accordance to the Appraisal – Support Staff policy.

h. TRADE UNION FACILITY TIME

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union (Facility Time Publication Requirements) Regulations 2017 for calculation details. The information to be published consists of four tables covering:

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	1,000	
Total pay bill	5,352,711	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	2	%
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EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy Trust is engaged in 2 main partnerships:

1. Plymouth Learning Trust (PLT). This comprises most of the 16 Plymouth secondary schools and its mission is to provide the best educational experience possible for Plymouth secondary children.
2. Plymouth Learning Partnership (trading as PAPH Co-operative CIC). This organisation also subscribes to the Co-operative values and, like PLT, aspires to do the very best for all Plymouth schoolchildren.

Objectives and Activities

a. OBJECTIVES, STRATEGIES AND ACTIVITIES

The principal objects and activities of the Trust are to:

- Advance for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, managing, and developing College(s)/School(s), offering a broad range of curriculum for students of different abilities;
- Provide education and care for students of different abilities between the ages of 4 and 18.

The aims of the Academy Trust during the period ending 31 August 2018 are summarised below:

- To continue to raise the standard of educational attainment so that all students make at least the expected levels of progress for their ability;
- To develop students as more effective lifelong learners;
- To continue to provide a broad, balanced and relevant curriculum, including extra-curricular activities that provides pathways that take account of students' needs;
- To ensure that provision of high quality information, advice and guidance is in place;
- To provide high quality professional development for all staff;
- To improve the Trust facilities and learning environment so that it enables students to achieve their full potential;
- To comply with all appropriate statutory and curriculum requirements;
- To develop coherence, clarity and effectiveness in Academy Trust systems;
- To provide value for money for the funds expended;
- To work closely with our partner primary schools to support the successful transition of students;
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

The Trust aims to achieve the best for, and from, each child. It intends to enable each child to realise his or her full academic, creative and physical potential and develop positive social and moral values. Our Trust is a community in which children, staff and parents should feel part of a happy and caring environment.

b. PUBLIC BENEFIT

The Trustees are satisfied that the Trust has complied with its requirement for the public benefit of education for boys and girls in Plymouth. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance by the Charity Commission.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

This can be demonstrated by the public examination results achieved by the students of the Trust and the destination choices of the majority of its students. Additionally, the Trust engages with the local community and demonstrates a continued commitment to:

- Education
- Community cohesion
- Provision of services for the community
- Extended use of buildings

Strategic report

Achievements and performance

Key Student Outcomes for the period are contained in our College's Strategic Plan, which is on our website.

For 2017-2018, these were as follows:

- All students make outstanding progress that compares favourably with local and national averages.
- No groups of students fall behind local and national averages.
- All students are equipped with high Literacy and Numeracy skills.
- All students are exceptionally well prepared for, and progress to, the next stage of their education, training, or employment.

Our Three Key Priorities to help achieve the above Student Outcomes:

1. High Quality Teaching, Learning and Assessment.
2. Highly Effective Personal Development, Behaviour and Welfare.
3. Proactive and Effective Leadership and Management.

A detailed plan of action identifies the specific activities that enable us to address these Priorities.

In spite of another year of national volatility regarding the examinations and assessment systems, most of our students achieved the results they needed to move on to the next step of their career/education.

We were delighted that our previous April 2013 Ofsted 'Good' grading was confirmed in an inspection in June 2016. This endorses the quality of the education and support services we provide for our students at Eggbuckland.

a. KEY PERFORMANCE INDICATORS

2018 results saw the significant progress and achievement of our more able students (those coming to the College with a KS2 score of 5.00+). The P8 in 2017 was -0.69 but had improved to -0.16 in 2018, an improvement of +0.53. However we recognise that this is still not good enough and have implemented strategies and enforced challenging targets in the 2018/19 year to address this. Our mid-ability prior attainment cohorts also underachieved, and we have also ensured this is addressed over the 2018/19 Academic year. Please refer to our College Strategic plan for more details.

The financial health of the MAT is inextricably linked to recruiting a full PAN. September 2018 saw the first full cohort gain a place at ECC; this needs to continue. AFA is slightly undersubscribed in Year 1 and a recruitment drive will be required early in the 2018/19 academic year.

Every 6 weeks we scrutinise the attendance of all subgroups and individuals therein. The attendance of our disadvantaged students as we progress through the year drops by about 2% in comparison to non-disadvantaged students. As a MAT we have responded to this; please see our College Strategic plan for more details.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

b. GOING CONCERN

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

Financial review

The vast majority of the Academy Trust's income is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular educational purposes. The grants received from the DfE during the period ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the period ending 31 August 2018, total revenue expenditure (excluding pension liability adjustment) was £6,911,417. Recurrent grant funding from the ESFA, together with other incoming resources totalled £6,837,100, therefore the excess of expenditure over income for the year on the free reserves was £74,317.

At 31 August 2018 the balance on the Restricted Fixed Asset Fund is £14,039,879. This is represented by fixed assets with a net book value of £13,989,118 and unspent devolved formula capital of £4,188 as well as unspent CIF of £46,572. Movements in tangible fixed assets are shown in note 15 to the Financial Statements. The assets were used almost exclusively for providing education and the associated support services to the students of the Academy Trust.

a. RESERVES POLICY

In a period of substantial financial uncertainty related to proposed Government changes to the funding formula for schools and imposed pay and pension increases, the Trust has produced budgets that ensure a surplus carry-forward. The Trustees review the reserve levels of the Trust annually, when setting the annual budget. This review encompasses the nature of income and expenditure streams, the need to match revenue income with commitments through budgetary control and also the strategic use of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review. The reserves level that the Trustees aim to hold is at least one month's salaries costs for the Trust.

The Trust's total reserves as the Balance Sheet date at 31 August 2018 comprised of £110,000 of unrestricted funds, with all of GAG being spent.

General reserves will be allocated to the Trust improvement priorities. This will include allocation to further Capital project commitment. Other considerations for the use of reserves are:

- Cost pressure turbulence and funding shortfall
- Contingency for falling secondary rolls in Plymouth
- Multi-academy trust support for Austin Farm Academy

b. MATERIAL INVESTMENTS POLICY

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

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Trust current account pays a small amount of interest and the Trust has an additional short term bank investment accounts to take advantage of higher interest rates. The Trust is authorised to invest funds only in specific Banks all of which are authorised and monitored by the Financial Services Authority. No other form of investment is authorised. Day-to-day management of the surplus funds is delegated to the Principal and Business Director within strict guidelines approved by the Governing Body.

c. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Academy Trust are as follows:

Financial - the Academy Trust has considerable reliance on continued Government funding through the ESFA. In the last period, 95% of the Academy Trust's incoming revenue resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that the funding levels will be maintained in real terms in the short/medium term (1-3 years). In fact, significant funding change has begun this year and continues with uncertainty over the new funding formula relating to KS2, KS3, KS4 and Post-16. Flat growth in funding against a background of rising cost pressure will increase the need for prudent budgeting and contingency planning. The new Principal has given the Academy an opportunity to make changes to the role, including sustainability and supporting the increasing focus on income generation.

Falling roll in Plymouth - for the past 10 years student secondary school numbers have been falling in Plymouth. Initially, this had no impact on roll at the Trust, but for the past 5 years the numbers joining year 7 have fallen, coupled with another new school opening in September 2017. To mitigate this risk, the Trustees ensure that student success and achievement are closely monitored and have invested in a marketing campaign. The falling roll has impacted on the carry-forward reserves as the annual budgets have relied on the surplus to continue to provide the high standard of teaching and the broad curriculum on offer. However, post year end, the Trust is oversubscribed for Year 7 September 2019 and hence, increasing its PAN by 30 students.

Physical Environment - ongoing concerns over funding levels in the short/medium term also translate into capital funding availability from the EFA.

The CIF December 2017 round of application has successfully provided the Trust with funding for the upgrade of electrical components to the much dated 40 year old College premises.

The Academy Trust has developed a Master Plan to deliver significant improvements to the buildings and infrastructure. However, the general condition of the buildings is a perennial problem requiring ongoing attention and consistent levels of capital funding. If the necessary capital funds are not forthcoming (from the ESFA) the environment will suffer at a relatively fast pace due to the design/age of the buildings. This area will require careful monitoring to ensure that the learning/working environment is sufficient, suitable and in acceptable condition. The Trust's ability to guarantee this objective is uncertain.

The Trust consolidated onto the main site in 2016 and is investigating the potential of land sale to create a community sports and health centre for its future sustainability through income generation. The College is actively applying for grants to raise funds for refurbishment and improvements for the site.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

The Trust has undertaken fundraising activities to support projects and purchases of equipment in order to improve its educational provision for students and improve the teaching environment. All proposals are approved by the leadership team first and ensure that the approach is:

- targeted towards a group of the community e.g. the engineering companies, parents, alumni
- all media and publications are approved before distribution to ensure that no materials will bring the Trust to disrepute or have a negative publicity
- all funds raised are accounted for separately and ring-fenced for the purpose it is aimed towards
- with the exception of Crowdfunding, other fundraising exercise are to collective groups and not individuals are targeted or placed under any undue pressure or repeated marketing literature
- the final amounts raised are publicised on Trust social media and progress of the project is announced. For fundraising relating to equipment and premises, where possible, major benefactors are invited to visit to see the implementation.

In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The Trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate.

Plans for future periods

a. FUTURE DEVELOPMENTS

With a significantly different national examination regime, we continue to build resilience in our students and prepare them thoroughly for the pressures of future exams. This has been supported by the introduction of a 3-year Key Stage 4 programme.

We continue to look at creative ways in which we can build capacity within our staff and train them to develop their leadership skills, where appropriate, or take on new responsibilities, including teaching different subjects.

We continue to explore ways in which we can generate further income, through developing our Activate, ICT, Catering and Reprographics provision.

Having formed a Multi-Academy Trust with Austin Farm Primary School in March 2015, we have successfully worked to improve its Ofsted category to "requires improvement" and we continue to focus on furthering the excellent partnership work we have already started, in order to smooth the transition from primary to secondary school.

FUNDS HELD AS CUSTODIAN

No funds are held as custodian on behalf of others.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12 December 2018 and signed on its behalf by:

W. Cavell

W Cavell
Chair of Trustees

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Eggbuckland Community College Academy 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 Principal, 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 Eggbuckland Community College Academy 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 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Leverton, Chair of Trustees (resigned 07 December 2017)	2	2
M Corrigan, Acting CEO and Principal	5	5
M Bottomley	5	5
L Bowyer	0	1
G Clark, Acting Chair of Trustees (14 November 2018 to 12 December 2018)	2	5
J Dann	3	5
W Cavell, Chair of Trustees (appointed 12 December 2018)	5	5
D Hicks	2	3
R Prout	4	5
J Rowe, Staff Trustee	3	3
D Todd, Staff Trustee	5	5
C Wills, Chair of Trustees (07 December 2017- 14 November 2018)	3	3
D Fildes	4	4
D Gilbert	1	1
D Williams	1	2

Following the significant changes to the Governing Body, with the formation of a Multi-Academy Trust, Trustees reviewed the effectiveness of the changes, and governance in general, at their Development Day in June 2018. The Board of Trustees decided that its responsibilities at the Buildings and Premises Committee are better served by delegating the duties between the Personnel Committee and the Finance Committee. The terms of reference was discussed and finalised in the Autumn 2018 Trust board meeting. Other changes included the resignation of 2 Trustees and the appointment of 1 new Trustee. There were a small number of rotational moves designed to increase Trustees overall experience across the committee structure.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to deal with matters relating to finance and audit.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Corrigan	5	5
P Leverton	2	2
W Cavell	4	5
J Dann	5	5
D Todd	5	5
D Fildes	3	4
D Gilbert	1	1
D Williams	2	3
C Wills	1	1

REVIEW OF VALUE FOR MONEY

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

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

- Replacement of retired or staff leaving with internal candidates
- Collaboration with other Colleges and schools for the shared provision of vocational courses to gain economies of scale and more efficient timetabling for the students while having a quality assurance officer to check the educational standards
- Currently in mid-process of centralisation of functions between the school and College within the Trust to ensure less processing and greater efficiency in the cost savings exercise.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Eggbuckland Community College Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Mandy Vickery, St Kew Accountancy Limited as internal auditor.

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

- Systems and controls relating to income, investments and VAT returns
- Procedures regarding orders, payments, credit cards, tendering and asset management
- Systems and controls relating to payroll and claims
- Month-end procedures, assets, debtors, creditors and reporting to Trustess

On a termly basis, the auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned. There were no material control or other issues reported by the Internal Auditor to date.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 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 12 December 2018 and signed on their behalf, by:



W Cavell
Chair of Trustees



M Corrigan
Accounting Officer

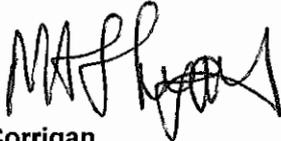
EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Eggbuckland Community College Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



M Corrigan
Accounting Officer

Date: 12 December 2018

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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 Annual Accounts Direction issued 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 12 December 2018 and signed on its behalf by:

W. Cavell

W Cavell
Chair of Trustees

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST**

OPINION

We have audited the financial statements of Eggbuckland Community College Academy Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST**

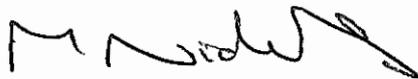
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Misty Nickells FCA (Senior statutory auditor)

for and on behalf of

Griffin

Chartered Accountants

165 High Street
Honiton
Devon
EX14 1LQ
12 December 2018

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 31 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Eggbuckland Community College Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Eggbuckland Community College Academy Trust's funding agreement with the Secretary of State for Education dated 19 February 2015, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING
AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Misty Nickells FCA (Senior statutory auditor)

Griffin

Chartered Accountants

165 High Street
Honiton
Devon
EX14 1LQ

12 December 2018

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted Fixed Asset fund 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	51,361	7,202	175,805	234,368	136,848
Charitable activities	3	183,318	6,404,055	-	6,587,373	6,801,720
Other trading activities	4	190,870	-	-	190,870	169,247
Investments	5	294	-	-	294	5,329
TOTAL INCOME		425,843	6,411,257	175,805	7,012,905	7,113,144
EXPENDITURE ON:						
Raising funds		80,313	-	-	80,313	51,506
Charitable activities		397,658	6,857,446	324,605	7,579,709	8,071,338
TOTAL EXPENDITURE	8	477,971	6,857,446	324,605	7,660,022	8,122,844
NET INCOME/ (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	(52,128)	(446,189)	(148,800)	(647,117)	(1,009,700)
		-	26,884	(26,884)	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(52,128)	(419,305)	(175,684)	(647,117)	(1,009,700)
Actuarial gains on defined benefit pension schemes	22	-	832,000	-	832,000	2,484,000
NET MOVEMENT IN FUNDS		(52,128)	412,695	(175,684)	184,883	1,474,300
RECONCILIATION OF FUNDS:						
Total funds brought forward		283,372	(3,953,000)	14,215,563	10,545,935	9,071,635
TOTAL FUNDS CARRIED FORWARD		231,244	(3,540,305)	14,039,879	10,730,818	10,545,935

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08603078

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	15		13,989,118		14,212,464
CURRENT ASSETS					
Debtors	16	186,072		140,492	
Cash at bank and in hand		366,679		410,241	
			<u>552,751</u>	<u>550,733</u>	
CREDITORS: amounts falling due within one year	17	(266,051)		(264,262)	
NET CURRENT ASSETS			286,700		286,471
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	22		14,275,818		14,498,935
			(3,545,000)		(3,953,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			10,730,818		10,545,935
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	4,695		-	
Restricted fixed asset fund	18	14,039,879		14,215,563	
Restricted income funds excluding pension liability		14,044,574		14,215,563	
Pension reserve		(3,545,000)		(3,953,000)	
Total restricted income funds			10,499,574		10,262,563
Unrestricted income funds	18		231,244		283,372
TOTAL FUNDS			10,730,818		10,545,935

The financial statements on pages 23 to 50 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:

W. Cavell

W Cavell
Chair of Trustees

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	20	<u>(113,292)</u>	<u>(162,831)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		294	5,329
Purchase of tangible fixed assets		(91,586)	(63,300)
Capital grants from DfE Group		161,022	29,043
Net cash provided by/(used in) investing activities		<u>69,730</u>	<u>(28,928)</u>
Change in cash and cash equivalents in the year		(43,562)	(191,759)
Cash and cash equivalents brought forward		<u>410,241</u>	<u>602,000</u>
Cash and cash equivalents carried forward	21	<u><u>366,679</u></u>	<u><u>410,241</u></u>

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Eggbuckland Community College Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold property	-	2% straight line
Leasehold property	-	2% straight line
Motor vehicles	-	20% straight line
Office equipment	-	20% straight line
Computer equipment	-	33% straight line

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

1.6 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.

1.7 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.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.8 Liabilities and provisions

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (CONTINUED)

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

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

1.12 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (CONTINUED)

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognise in the Balance Sheet.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted Fixed Asset fund 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Donations	51,361	7,202	-	58,563	107,805
Capital Grants	-	-	175,805	175,805	29,043
	<u>51,361</u>	<u>7,202</u>	<u>175,805</u>	<u>234,368</u>	<u>136,848</u>
<i>Total 2017</i>	<u>89,925</u>	<u>17,880</u>	<u>29,043</u>	<u>136,848</u>	

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	5,559,524	5,559,524	5,848,710
Other DfE/ESFA grants	-	126,086	126,086	112,626
Pupil Premium	-	433,287	433,287	402,742
	-	6,118,897	6,118,897	6,364,078
Other government grants				
Higher Needs	-	210,705	210,705	189,889
Local authority grants	-	74,453	74,453	54,112
	-	285,158	285,158	244,001
Other funding				
Other income from the academy trust's educational operations	183,318	-	183,318	193,641
	183,318	-	183,318	193,641
	183,318	6,404,055	6,587,373	6,801,720
<i>Total 2017</i>	193,641	6,608,079	6,801,720	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	71,502	-	71,502	70,252
Other	119,368	-	119,368	98,995
	190,870	-	190,870	169,247
<i>Total 2017</i>	169,247	-	169,247	

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	294	-	294	5,329
<i>Total 2017</i>	5,329	-	5,329	

6. DIRECT COSTS

	Education £	Total 2017 £
Educational supplies	267,523	269,778
Examination fees	81,208	92,880
Staff development	2,292	7,787
Other costs	6,416	5,761
Supply teachers	21,553	34,305
Technology costs	90,071	77,524
Legal and professional	81,655	7,118
Wages and salaries	3,622,590	3,962,143
National insurance	344,573	375,663
Pension cost	570,418	610,647
Depreciation	268,184	279,762
	5,356,483	5,723,368
<i>Total 2017</i>	5,723,368	

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. SUPPORT COSTS

	Education £	<i>Total 2017 £</i>
Pension income	99,000	127,000
Staff development	9,133	7,742
Other costs	25,836	43,543
Recruitment and other staff costs	280	-
Maintenance of premises and equipment	88,759	88,655
Cleaning	21,347	22,960
Rent and rates	52,901	55,218
Heat and light	95,442	95,600
Insurance	52,163	40,410
Security and transport	38,860	43,509
Catering	197,479	178,330
Office overheads	118,662	117,907
Legal and professional	79,873	102,600
Governance costs	7,450	7,250
Wages and salaries	749,780	756,471
National insurance	45,787	43,322
Pension cost	484,053	564,090
Depreciation	56,421	53,363
	<u>2,223,226</u>	<u>2,347,970</u>
<i>Total 2017</i>		<u>2,347,970</u>

8. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	<i>Total 2017 £</i>
Expenditure on raising voluntary income	-	-	71,931	71,931	40,257
Expenditure on fundraising trading	-	-	8,382	8,382	11,249
Education:					
Direct costs	4,559,134	219,648	577,701	5,356,483	5,723,368
Support costs	1,279,620	304,659	638,947	2,223,226	2,347,970
	<u>5,838,754</u>	<u>524,307</u>	<u>1,296,961</u>	<u>7,660,022</u>	<u>8,122,844</u>
<i>Total 2017</i>	<u>6,370,663</u>	<u>584,458</u>	<u>1,167,723</u>	<u>8,122,844</u>	

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	<i>2017</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	324,605	<i>333,125</i>
Auditors' remuneration - audit	7,450	<i>7,250</i>
Auditors' remuneration - other services	1,600	<i>-</i>
Governance Internal audit costs	1,956	<i>1,860</i>
	=====	=====

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,372,370	4,718,614
Social security costs	390,360	418,985
Operating costs of defined benefit pension schemes	1,054,471	1,174,737
	5,817,201	6,312,336
Agency staff costs	21,553	34,305
Staff restructuring costs	-	24,022
	5,838,754	6,370,663

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	-	24,022
	-	24,022

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

Prior year staff restructuring costs were comprised of contractual redundancy payments.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	69	83
Administration and support	139	152
Management	6	8
	214	243
	214	243

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	60	70
Administration and support	84	99
Management	6	8
	150	177
	150	177

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	1	2
In the band £80,001 - £90,000	1	0
In the band £100,001 - £200,000	0	1

11. CENTRAL SERVICES

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

- Finance
- Premises management
- Clerking and governance
- Human Resources services

The academy charges for these services on the following basis:

Both Eggbuckland Community College and Austin Farm Primary School make contributions towards central services. Austin Farm provides a flat 4.5% and Eggbuckland Community College a flat 2% of their GAG income.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Eggbuckland Community College	93,470	99,428
Austin Farm Primary School	40,808	41,374
Total	134,278	140,802

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
J Rowe	Remuneration	30,000-35,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000
D Todd	Remuneration	20,000-25,000	20,000-25,000
	Pension contributions paid	0-5,000	0-5,000
K Borowski	Remuneration		115,000-120,000
	Pension contributions paid		15,000-20,000
D Gilbert	Remuneration	10,000-15,000	
	Pension contributions paid	0-5,000	
M Corrigan	Remuneration	85,000-90,000	
	Pension contributions paid	10,000-15,000	

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL to no Trustees).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £579 (2017 - £1,778).

14. OTHER FINANCE INCOME

	2018 £	2017 £
Interest income on pension scheme assets	85,000	57,000
Interest on pension scheme liabilities	(184,000)	(184,000)
	<u>(99,000)</u>	<u>(127,000)</u>

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

15. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 September 2017	13,372,100	1,740,563	1,000	231,799	130,189	15,475,651
Additions	101,259	-	-	-	-	101,259
At 31 August 2018	<u>13,473,359</u>	<u>1,740,563</u>	<u>1,000</u>	<u>231,799</u>	<u>130,189</u>	<u>15,576,910</u>
Depreciation						
At 1 September 2017	911,979	99,866	800	140,622	109,920	1,263,187
Charge for the year	231,887	33,971	200	46,360	12,187	324,605
At 31 August 2018	<u>1,143,866</u>	<u>133,837</u>	<u>1,000</u>	<u>186,982</u>	<u>122,107</u>	<u>1,587,792</u>
Net book value						
At 31 August 2018	<u><u>12,329,493</u></u>	<u><u>1,606,726</u></u>	<u><u>-</u></u>	<u><u>44,817</u></u>	<u><u>8,082</u></u>	<u><u>13,989,118</u></u>
At 31 August 2017	<u><u>12,460,121</u></u>	<u><u>1,640,697</u></u>	<u><u>200</u></u>	<u><u>91,177</u></u>	<u><u>20,269</u></u>	<u><u>14,212,464</u></u>

16. DEBTORS

	2018 £	2017 £
Trade debtors	14,774	12,183
VAT	48,189	27,463
Prepayments and accrued income	123,109	100,846
	<u><u>186,072</u></u>	<u><u>140,492</u></u>

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	39,852	22,796
Other taxation and social security	95,192	197,572
Other creditors	85,069	-
Accruals and deferred income	45,938	43,894
	266,051	264,262
	266,051	264,262
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	24,817	17,000
Resources deferred during the year	16,060	24,817
Amounts released from previous years	(24,817)	(17,000)
	16,060	24,817
	16,060	24,817

Deferred income represents income received in advance for Universal Infant Free School Meals (UIFSM).

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	283,372	425,843	(477,971)	-	-	231,244
Restricted funds						
General Annual Grant (GAG)	-	5,580,347	(5,607,231)	26,884	-	-
Pupil Premium	-	433,287	(433,287)	-	-	-
Special Educational Needs	-	210,705	(210,705)	-	-	-
Other government grants	-	179,716	(175,021)	-	-	4,695
Other income restricted	-	7,202	(7,202)	-	-	-
Pension reserve	(3,953,000)	-	(424,000)	-	832,000	(3,545,000)
	<u>(3,953,000)</u>	<u>6,411,257</u>	<u>(6,857,446)</u>	<u>26,884</u>	<u>832,000</u>	<u>(3,540,305)</u>
Restricted fixed asset fund						
Transfer on conversion	13,504,481	-	(264,843)	-	-	13,239,638
DfE/ESFA capital grants	368,003	175,805	(30,749)	(38,578)	-	474,481
Capital expenditure from GAG	48,724	-	(22,527)	-	-	26,197
Other	294,355	-	(6,486)	11,694	-	299,563
	<u>14,215,563</u>	<u>175,805</u>	<u>(324,605)</u>	<u>(26,884)</u>	<u>-</u>	<u>14,039,879</u>
Total restricted funds	<u>10,262,563</u>	<u>6,587,062</u>	<u>(7,182,051)</u>	<u>-</u>	<u>832,000</u>	<u>10,499,574</u>
Total of funds	<u><u>10,545,935</u></u>	<u><u>7,012,905</u></u>	<u><u>(7,660,022)</u></u>	<u><u>-</u></u>	<u><u>832,000</u></u>	<u><u>10,730,818</u></u>

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

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

General Annual Grant (GAG)

Income from the ESFA which is to be used for the normal running costs of the academy, including education and support costs.

Pupil Premium

Funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

Special Educational Needs

Funding received by the local authority to fund further support for students with additional needs.

Other government grants

Other income from the DfE/ESFA and local government for restricted purposes.

Other restricted income

Other income received with specific restrictions.

Pension reserve

The academy's share of the assets and liabilities in the Local Government Pension Scheme. This is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy.

DfE/ESFA capital grants

Devolved Formula Capital and Capital Improvement Fund income from the ESFA to cover the maintenance and purchase of the academy's assets.

Capital expenditure from GAG

This represents funds transferred from the restricted GAG fund to purchase fixed assets.

Other

This represents other grants and donations received to purchase fixed asset additions.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	<i>As restated Total 2017 £</i>
Eggbuckland Community College	174,067	204,057
Austin Farm Primary School	61,872	79,315
Total before fixed asset fund and pension reserve	<u>235,939</u>	<u>283,372</u>
Restricted fixed asset fund	14,039,879	14,215,563
Pension reserve	(3,545,000)	(3,953,000)
Total	<u><u>10,730,818</u></u>	<u><u>10,545,935</u></u>

ANALYSIS OF ACADEMIES BY COST

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 2018 £	<i>Total 2017 £</i>
Eggbuckland Community College	3,858,838	717,924	58,006	1,095,636	5,730,404	6,098,540
Austin Farm Primary School	678,743	123,193	21,313	222,426	1,045,675	979,299
Central Services	-	112,377	-	22,961	135,338	164,880
	<u>4,537,581</u>	<u>953,494</u>	<u>79,319</u>	<u>1,341,023</u>	<u>6,911,417</u>	<u>7,242,719</u>

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General Funds	183,127	458,142	(357,897)	-	-	283,372
Restricted funds						
General Annual Grant (GAG)	134,000	5,873,108	(6,037,612)	30,504	-	-
Pupil Premium	-	402,742	(402,742)	-	-	-
Other grants	94,359	350,109	(444,468)	-	-	-
Pension reserve	(5,890,000)	-	(547,000)	-	2,484,000	(3,953,000)
	<u>(5,661,641)</u>	<u>6,625,959</u>	<u>(7,431,822)</u>	<u>30,504</u>	<u>2,484,000</u>	<u>(3,953,000)</u>
Restricted fixed asset fund						
Transfer on conversion	13,769,808	-	(265,327)	-	-	13,504,481
DfE/ESFA capital grants	408,248	29,043	(38,784)	(30,504)	-	368,003
Capital expenditure from GAG	71,252	-	(22,528)	-	-	48,724
Other	300,841	-	(6,486)	-	-	294,355
	<u>14,550,149</u>	<u>29,043</u>	<u>(333,125)</u>	<u>(30,504)</u>	<u>-</u>	<u>14,215,563</u>
Total restricted funds	<u>8,888,508</u>	<u>6,655,002</u>	<u>(7,764,947)</u>	<u>-</u>	<u>2,484,000</u>	<u>10,262,563</u>
Total of funds	<u><u>9,071,635</u></u>	<u><u>7,113,144</u></u>	<u><u>(8,122,844)</u></u>	<u><u>-</u></u>	<u><u>2,484,000</u></u>	<u><u>10,545,935</u></u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted Fixed Asset fund 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	13,989,118	13,989,118
Current assets	497,295	4,695	50,761	552,751
Creditors due within one year	(266,051)	-	-	(266,051)
Provisions for liabilities and charges	-	(3,545,000)	-	(3,545,000)
	<u>231,244</u>	<u>(3,540,305)</u>	<u>14,039,879</u>	<u>10,730,818</u>

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted Fixed Asset fund</i>	<i>Total funds</i>
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	14,212,464	14,212,464
Current assets	547,634	-	3,099	550,733
Creditors due within one year	(264,262)	-	-	(264,262)
Provisions for liabilities and charges	-	(3,953,000)	-	(3,953,000)
	<u>283,372</u>	<u>(3,953,000)</u>	<u>14,215,563</u>	<u>10,545,935</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(647,117)	(1,009,700)
Adjustment for:		
Depreciation charges	324,605	333,125
Dividends, interest and rents from investments	(294)	(5,329)
(Increase)/decrease in debtors	(132,625)	20,743
Increase/(decrease) in creditors	79,161	(19,627)
Capital grants from DfE and other capital income	(161,022)	(29,043)
Defined benefit pension scheme cost less contributions payable	325,000	420,000
Defined benefit pension scheme finance cost	99,000	127,000
Net cash used in operating activities	(113,292)	(162,831)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	366,679	410,241
Total	366,679	410,241

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's 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 Devon County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £85,069 were payable to the schemes at 31 August 2018 (2017 - Nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £462,824 (2017 - £503,115).

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a 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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £356,000 (2017 - £314,000), of which employer's contributions totalled £274,000 (2017 - £240,000) and employees' contributions totalled £82,000 (2017 - £74,000). The agreed contribution rates for future years are 15.3% for employers and 5.5% -12.5%% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	23.5	23.4
Females	25.6	25.5
Retiring in 20 years		
Males	25.8	25.7
Females	28.0	27.9

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	(158)	(157)
Discount rate -0.1%	161	160
Mortality assumption - 1 year increase	248	244
Mortality assumption - 1 year decrease	(240)	(236)
CPI rate +0.1%	145	135
CPI rate -0.1%	(142)	(132)

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	2,169,000	1,861,000
Gilts	114,000	96,000
Target return portfolio	513,000	467,000
Property	454,000	396,000
Cash and other liquid assets	55,000	74,000
Other bonds	70,000	78,000
Alternative assets	184,000	171,000
Private equity	37,000	-
	<u>3,596,000</u>	<u>3,143,000</u>

The actual return on scheme assets was £203,000 (2017 - £313,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	<i>2017 £</i>
Current service cost	(597,000)	(658,000)
Interest income	85,000	57,000
Interest cost	(184,000)	(184,000)
Admin expenses	(2,000)	(2,000)
	<u>(698,000)</u>	<u>(787,000)</u>
Total	<u>(698,000)</u>	<u>(787,000)</u>
Actual return on scheme assets	<u>203,000</u>	<u>313,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	7,096,000	8,417,000
Current service cost	597,000	658,000
Interest cost	184,000	184,000
Employee contributions	82,000	74,000
Actuarial gains	(714,000)	(2,075,000)
Benefits paid	(104,000)	(162,000)
	<u>7,141,000</u>	<u>7,096,000</u>
Closing defined benefit obligation	<u>7,141,000</u>	<u>7,096,000</u>

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

Movements in the fair value of the academy's share of scheme assets:

	2018	2017
	£	£
Opening fair value of scheme assets	3,143,000	2,527,000
Interest income	85,000	57,000
Actuarial losses	118,000	409,000
Employer contributions	274,000	240,000
Employee contributions	82,000	74,000
Benefits paid	(104,000)	(162,000)
Administrative expenses	(2,000)	(2,000)
	3,596,000	3,143,000
	3,596,000	3,143,000

23. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts payable:		
Within 1 year	18,025	42,435
Between 1 and 5 years	33,099	33,421
	51,124	75,856
	51,124	75,856

24. 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.

EGGBUCKLAND COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year £35,000 - £40,000 was paid to L Southcott for her services as an employee of Austin Farm. L Southcott is the mother of C Wills, a Trustee of the Academy Trust. At the balance sheet date the amount owed to L Southcott was £nil.

Redrok Media Limited, a company of which D Williams (Trustee) is a director, charged Eggbuckland Community College £1,040 for purchases made.

Event West Limited, a company of which D Williams (Trustee) is a director, charged Eggbuckland Community College £583 for entry fees to the schools challenge at the Plymouth Half Marathon (May 2018).