

Company Registration Number: 08524638 (England & Wales)

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Barton, Chair of Trustees
Reverend T Elbourne, The Chelmsford Diocese Educational Trust
E Grimble, The Parochial Church Council of the Ecclesiastical Parish of St Mary's
Shenfield
Father C Mann, Incumbent
D Moran, The Chelmsford Diocese Educational Trust

Trustees

A Barton, Chairman
D Bryant
D Churchill
A Mauger
S Taggart, CEO, Head Teacher and Accounting Officer
S Hedley-Barnes

Company registered number

08524638

Company name

Mid Essex Anglican Academy Trust

Principal and registered office

Hall Lane, Shenfield, Brentwood, Essex, CM15 9AL

Accounting Officer

S Taggart

Senior management team

S Taggart, CEO and Executive Head Teacher, Head Teacher of Shenfield St Mary's CofE Primary School
H Obank, Head Teacher of Mountnessing CofE Primary School
M Willson, Trust Business Manager
E Bundy, Deputy Head Teacher, Shenfield St Mary's CofE Primary School
E Cannon, Assistant Head Teacher, Mountnessing CofE Primary School

Independent auditors

MWS, Kingsridge House, 601 London Road, Westcliff-on-Sea, Essex, SS0 9PE

Bankers

Lloyds Bank, BX1 1LT

Solicitors

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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving the parish of Shenfield, Essex, and the catchment area in Mountnessing, Essex. It has a pupil capacity of 540 across two schools. Shenfield St Mary's Church of England Primary School (Shenfield St Mary's) had a roll of 421 in the school census in January 2020 (rising to 422 in October 2020) and Mountnessing Church of England Primary School (Mountnessing) had a roll of 100 in the school census in January 2020 (rising to 119 in October 2020).

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 dated 10 May 2013 is the primary governing document of the Academy Trust.

The Trustees of Mid Essex Anglican Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year, and to the date these accounts are approved 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

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the trustees who are appointed under the terms of the Articles of Association and funding agreement as follows:

- o The members shall appoint the trustees

The members shall comprise:

- o The signatories to the memorandum;
- o CDET acting corporately by hand of one of its directors;
- o Up to three individuals appointed by CDET; and
- o The chairman of the Trustees

The Executive Head Teacher shall be a Director for as long as she/he remains in office as such.

The trustees will appoint a minimum of two elected parent governors across the local boards within the trust and one elected staff governor to each local board.

The term of office for any trustee is 4 years. The Head Teacher's term of office runs parallel with his/her contract of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re elected.

e. Policies adopted for the induction and training of Trustees

During the period under review, the trustees held 6 Board of Trustees meetings, covering finance, premises, personnel and curriculum. The training and induction provided for new trustees will depend on their experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new trustees are given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

f. Organisational structure

The academy has established a management structure to enable its efficient running. The structure consists of three levels: the trustees, local board governors and the executive who are the senior leadership team. The Board of Trustees has considered its role thoughtfully and decided that the role of the trustees is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The Board of Trustees has approved a scheme of delegation which sets out a statement on the system of internal control and delegated responsibilities. There are also standing orders for the Board of Trustees, Local Boards and terms of reference for committees.

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

Governors of the Local Boards are focused on pupil related matters and report to the Trustees on pupil outcomes across all aspects of teaching and learning.

The Executive Head Teacher is responsible for the strategic leadership of the Trust. Each Head Teacher is directly responsible for the day to day running of the schools and they are assisted by a senior leadership team. The team is responsible for the day to day operation of the schools, in particular organising staff, resources and teaching and learning. The Executive Head Teacher assumes the accounting officer role.

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

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The Trust Pay Committee sets the Pay Policy for the Academy and advises the Board of Trustees on current and future pay levels. It ratifies the appropriate salary ranges and starting salaries for members of the leadership group. It ratifies annual pay progress for teachers as set out in the Pay Policy, taking account of any recommendations made on the Performance Management review statement. The Pay Committee approves applications to be paid on the Upper Pay Range. This committee approves the annual pay progression for all members of staff on the leadership pay range, taking account of the recommendation made by the head teacher's Performance Review Panel, following the annual review. The Pay Committee monitors and reports to the Board of Trustees on the annual pattern of performance pay progression at each level and the correlation between pay progression, quality of teaching and outcomes for pupils. The Trust Board approves all pay related decisions following recommendations from the Pay Committee.

The Pay Committee comprises three members of the Board of Trustees, with the exception of the Executive Head teacher. The head teacher may attend all proceedings of the Pay Committee for the purposes of providing information and advice but must withdraw when their own salary is being discussed.

Objectives and activities

a. Objects and aims

The principal object and activity of the academy is the operation of Shenfield St Mary's Church of England Primary School and Mountnessing Church of England Primary School to provide a broad and balanced education for pupils of all abilities, with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice issued by the Diocesan Board of Education.

The trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreement' for the Academy. The Scheme of Government specifies, amongst other things, that the academy will be at the heart of the community promoting community cohesion and sharing facilities, the basis for admitting students to the academy and that the curriculum should be broad and balanced with an emphasis on the needs of individual pupils.

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

Objectives and activities (continued)

b. Objectives, strategies and activities

Trust Improvement Plan priorities for the 2019/2020 academic year included:

- Curriculum implementation is consistently strong across all subjects with a positive impact upon pupil outcomes.
- Improve consistency of outstanding teaching and learning to ensure all groups of pupils make rapid and sustained progress.
- Develop further the pupils' understanding of the world around them, including digital literacy.
- Improve school attendance so that target of 96% is met across all schools.
- Increase physical activity to enhance mental well-being.
- Increase multi-cultural opportunities for all pupils.
- All staff will live the school vision through their actions and decisions—Staff at all leadership levels articulate and model the vision for learning and teaching.
- Manage the expansion of Mountnessing Primary School in readiness for increased pupils numbers.

Detailed actions to achieve the priorities are set out in the Trust and Schools' Improvement Plans.

c. Activities for achieving objectives

Activities for achieving objectives

- Ensured staff training always centered on high expectations for pupils and key priorities.
- Peer to Peer development approach in place across the teaching and support team, in partnership with local schools.
- Leadership team to monitor outcomes of pupils' work, marking and feedback, giving clear targets for improvement linked to key priorities.
- Planned staff development sessions focussed on priority areas.

d. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

As an academy we make the best use of our skills, expertise and experience to provide the best educational and social outcomes for our pupils. In addition our pupils have raised money for local, national and international charities.

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

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Key performance indicators

The academic year 2019/20 was the seventh full year of the Academy Trust and the second full year incorporating Mountnessing CofE Primary School. The number on roll at the trust increased to 521 (per January 2020 census).

Financial Performance indicators

Staff costs as percentage of pupil led funding	86% (2019: 84%)
Staff costs as percentage of total expenditure	82% (2019: 80%)
Current assets to current liabilities ratio	6.0 (2019: 4.6)

Accounting adjustments have been removed in arriving at these financial performance indicators as follows:

Staff costs - Total staff costs as reported in these financial statements plus employer pension contributions less the LGPS service cost.

Pupil led funding - As reported in note 4

Total expenditure - Total expenditure as reported in these financial statements plus employer pension contributions less; the LGPS service cost, LGPS net pension finance charge, depreciation charge for the year and the notional rent expense charged for the year for buildings occupied under licence.

b. Going concern

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

c. Review of activities

Due to the Coronavirus Pandemic, schools did not complete formal assessments and therefore there are no end of year outcomes for 2019/2020.

Pupils across both schools continued to progress well academically, socially, morally, culturally, physically, spiritually and emotionally in the 2019/20 academic year, despite enforced closure due to the Coronavirus pandemic. Pupil outcomes remained strong, established as a result of a high quality broad and balanced curriculum offer.

There was a particular focus on embedding the Trust vision 'to unlock every child's potential as a unique child of God' across all aspects of school life. The pupils and staff teams embraced this approach to decision making and learning positively. This could be seen in all areas of the schools' experiences and curriculums, including sport, music and drama as well as academic learning.

During the March lockdown, the pupils in the Trust received remote learning straightaway, including regular contact with the teachers and support staff. This was accessed and celebrated via the school websites. Following partial reopening in May, all pupils across the Trust were given the opportunity to attend school before

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

the summer holiday commenced, albeit in a part-time capacity. Parental feedback regarding the support provided to families at this time was extremely positive.

Financial review

a. Reserves policy

The trustees are aware of the requirement to balance current and future needs. They always aim to set a balanced budget with annual income balancing annual expenditure. The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £383,830 which Trustees consider sufficient to act as a buffer against future unbudgeted costs and contingencies.

The Trustees have determined that they should hold a cash contingency equivalent to up to two months' payroll expenditure, approximately £262,178.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £1,098,000. This does not mean that an immediate liability for this amount crystallises; such a deficit generally requires increased employer contributions over a number of years.

The academy has total funds of £1,047,503 at 31 August 2020 and £663,673 of restricted funds not available for general purposes of the academy trust at 31 August 2020. The balance on restricted general funds (excluding pension reserve) of £215,507 plus the balance on unrestricted funds of £383,830 totals a net surplus of £599,337 at 31 August 2020.

b. Investment policy

The Investment Policy of the Academy is determined by the Board of Trustees. The aim of the policy is to ensure that funds which the academy does not immediately need to cover anticipated expenditure are invested in order to maximise income with minimal risk. Should any potential investment opportunity arise this would be presented to the Board of Trustees for consideration and approval. It is envisaged that any surplus funds will be invested in interest bearing deposit accounts. At 31 August 2020, Shenfield St Mary's held £131,360 in an interest bearing deposit account.

c. Principal risks and uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register is maintained and updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy, and its finances. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the

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Strategic report (continued)

Financial review (continued)

Governance Statement.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2020.

d. Financial risk management objectives and policies

Financial Review

During the period, ESFA/LA grants received totalled to £2,409,463 (2019: £2,147,487). Other income included within restricted funds totalled to £9,037 (2019: £16,566). Restricted fund expenditure totalled to £2,857,853 (2019: £2,892,423).

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

The Trustees and Head Teacher receive monthly management reports throughout the year and compare against budgets submitted to the Education and Skills Funding Agency. The Trust Board also reviews longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the aims of the Academy.

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

Fundraising

Fundraising for Shenfield St. Mary's is undertaken by the St. Mary's Parents and Friends Association which is a registered charity and for Mountnessing it is undertaken by the Friends of Mountnessing School. St. Mary's PFA produces annual accounts which set out how the funds raised are spent in the year and this is reviewed by an independent examiner and lodged with the charities commission. The Friends of Mountnessing School are not required to produce annual accounts due to its size. Neither school has worked with professional fundraisers or commercial participators. Any fundraising complaints are dealt with by the committees running the two associations. The fundraising activities include holding Christmas and Summer fairs plus other smaller events e.g. quiz nights or school discos during the year which involve either the pupils or parents of the schools. Both schools do receive some voluntary parental donations and this is at the parents' discretion. These donations are usually put towards capital projects that the schools are funding. Parental donations are sometimes received at the end of church services or school productions and these are either used by the school for new resources or are donated to local charities. The parents are informed as to how their donations will be used.

Plans for future periods

Trust Improvement Plan Priorities 2020/21 include:

- Providing a curriculum that consistently builds upon prior learning and develops sequenced knowledge and skills
- Identified gaps in pupils' knowledge as a result of absence from school as a result of Covid 19 are filled to ensure they are back on track at speed
- A strengthened whole school understanding of pupils' learning barriers in each year group and in each subject area
- Leaders should continue to implement their plans, so that pupils benefit from an ambitious, broad and well-sequenced curriculum.
- Implementing a consistent whole school approach to log pupils' progress across the curriculum applied by all. Focus: Assessments of foundation subjects
- Review and where necessary look to further invest in any new technology and training needs of the staff team to support remote learning and the consistent use of Google Classroom.
- Review how the school can better connect even more effectively with parents in the future in helping them support their children in learning
- Developing further the pupils' understanding of individual difference and understand the importance of Black Lives Matter
- Developing further resilience to set backs and take pride in their individual achievements
- Ensuring the curriculum offer is broad and enables development of interests and talents
- Ensuring the statutory RSHE curriculum is implemented from September 2020. It is monitored and reports are made to the Governing Body
- Strengthening SEMH provision to support learners with these needs. Particular focus: Mental health of staff and pupils
- Reflecting on lessons that have been learnt from the school's 'Covid 19 experience.'
- Ensuring that all leaders can lead an Ofsted 'Deep Dive' into their individual subject areas with confidence
- Further strengthen distributed leadership from the eg senior leaders / subject leaders taking on greater levels of responsibility
- Manage the Mountnessing expansion project in readiness for the increase in pupil numbers.
- Ensure the expansion project does not impact negatively on pupil outcomes.

Funds held as custodian on behalf of others

The Academy Trust and/or its trustees did not act as custodian trustee during the current or previous period.

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TRUSTEES' REPORT (CONTINUED)
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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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 30 November 2020 and signed on its behalf by:

A Barton - Chair of Trustees

A Barton
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Mid Essex Anglican 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.

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

The board of Trustees has delegated the day-to-day responsibility to the Executive Head Teacher, 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 Mid Essex Anglican 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 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
A Barton, Chairman	6	6
D Bryant	4	6
D Churchill	5	6
A Mauger	6	6
S Taggart, CEO, Head Teacher and Accounting Officer	6	6
S Hedley-Barnes	3	6

During the year the Board of Trustees continued to develop its effectiveness.

Key changes include:

- Trustees developed their leadership of governors who are responsible for teaching and learning monitoring activities. Governor training to ensure they are holding senior leaders to account for pupil well-being and outcomes. Ensure that rigorous systems are in place in both schools.
- Trustees sought opportunities to meet other trustees and governors to support them in being more outward looking in order to develop their strategic role and to share best practice. Trustees continue to attend briefing sessions and have developed links with other schools.
- The Trust has successfully been awarded the status of Academy Sponsor, therefore has the capacity to support schools in need and bring them into the trust.
- The Trust has effectively overseen the successful expansion of Mountnessing Church of England Primary School to a one form entry commencing September 2020.
- The Trust has set up a separate Audit and Risk Committee as a sub-committee of the Board of Trustees to oversee all systems, controls and processes, financial and non-financial that may have an impact on the Trust's ability to meet its objectives.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Arising from a continuing review of key contracts the Trust changed at Trust and academy level it's clerking service provider and at academy level it's water hygiene contractor in order to obtain enhanced service and better value for money from these services;
- The Trust made strategic staffing decisions to secure a stable staffing profile for the future and to support outstanding teaching and learning outcomes for pupils;
- The Trust utilises financial budgeting software to assist with effective financial management. The Trust networks with other local schools to share best practice with respect to the financial management of the Trust.
- The Trust used Crescent Purchasing Consortium to obtain competitive quotes for new IT equipment for the academies, and the Trust accessed the DfE fund to set up Google Classroom.
- The Trust applied for two CIF bids in December 2019 and were successful in gaining both bids which will enable the Trust to make substantial capital improvements at Mountnessing CofE Primary School.

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial management reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Board of Trustees 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
- identification and management of risks

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint SBM Services Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included administration, finance and management systems, governance, income collection, budget processes, payroll and purchasing and creditors.

On an annual 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 Trustees' financial responsibilities.

The Board of Trustees can confirm that the internal auditor has delivered their schedule of work as planned, and provided details of any material control issues arising as a result of their work.

Review of effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit 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 30 November 2020 and signed on their behalf by:

A Barton - Chair of Trustees

A Barton
Chair of Trustees

S Taggart - Accounting Officer

S Taggart
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Mid Essex Anglican 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 2019.

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

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

S Taggart - Accounting Officer

S Taggart
Accounting Officer
Date: 30 November 2020

MID ESSEX ANGLICAN ACADEMY TRUST**(A company limited by guarantee)****STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 30 November 2020 and signed on its behalf by:

A Barton - Chair of Trustees

A Barton
Chair of Trustees

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MID ESSEX ANGLICAN ACADEMY TRUST

Opinion

We have audited the financial statements of Mid Essex Anglican Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MID ESSEX ANGLICAN ACADEMY TRUST (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MID ESSEX ANGLICAN ACADEMY TRUST (CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Fiona Read

Mrs Fiona Read F.C.A. (Senior statutory auditor)
for and on behalf of
MWS

Registered Auditors
Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

Date: 10 December 2020

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MID ESSEX ANGLICAN ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mid Essex Anglican Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Mid Essex Anglican Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Mid Essex Anglican Academy Trust's funding agreement with the Secretary of State for Education dated 30 May 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessing the risk of material irregularity in the Academy Trust
- Commissioning a self-assessment review of the Trustees' governance arrangements and consideration of any material non-compliance with the Academies Financial Handbook
- Investigating any areas of significant risk identified
- Consideration of the work performed under our audit engagement and any impact this may have on our regularity conclusion or regularity risk assessment
- A review of the internal controls and internal audit procedures for areas of significant risk and performing further substantive testing where necessary.

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MID ESSEX ANGLICAN ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MWS

Reporting Accountant

MWS

Chartered Accountants

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

Date: 10 December 2020

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

		Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note						
Income from:						
Donations and capital grants	3	96,280	229,991	27,675	353,946	171,805
Charitable activities		2,212,106	-	-	2,212,106	2,127,611
Other trading activities		82,967	-	29,236	112,203	155,517
Investments	6	-	-	1,014	1,014	771
Total income		2,391,353	229,991	57,925	2,679,269	2,455,704
Expenditure on:						
Charitable activities	8	2,532,042	325,811	-	2,857,853	2,892,422
Total expenditure		2,532,042	325,811	-	2,857,853	2,892,422
Net (expenditure)/income		(140,689)	(95,820)	57,925	(178,584)	(436,718)
Transfers between funds	18	21,788	21,484	(43,272)	-	-
Net movement in funds before other recognised gains/(losses)		(118,901)	(74,336)	14,653	(178,584)	(436,718)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	(97,000)	-	-	(97,000)	(119,000)
Net movement in funds		(215,901)	(74,336)	14,653	(275,584)	(555,718)
Reconciliation of funds:						
Total funds brought forward		(666,592)	1,620,502	369,176	1,323,086	1,878,804
Net movement in funds		(215,901)	(74,336)	14,653	(275,584)	(555,718)
Total funds carried forward		(882,493)	1,546,166	383,829	1,047,502	1,323,086

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 51 form part of these financial statements.

MID ESSEX ANGLICAN ACADEMY TRUST**(A company limited by guarantee)****REGISTERED NUMBER: 08524638****BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	1,360,094	1,611,961
		1,360,094	1,611,961
Current assets			
Debtors	16	402,603	287,374
Cash at bank and in hand		539,430	480,131
		942,033	767,505
Creditors: amounts falling due within one year	17	(156,624)	(168,380)
Net current assets		785,409	599,125
Total assets less current liabilities		2,145,503	2,211,086
Net assets excluding pension liability		2,145,503	2,211,086
Defined benefit pension scheme liability	26	(1,098,000)	(888,000)
Total net assets		1,047,503	1,323,086
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	1,546,166	1,620,502
Restricted income funds	18	215,507	221,408
		1,761,673	1,841,910
Restricted funds excluding pension asset	18	1,761,673	1,841,910
Pension reserve	18	(1,098,000)	(888,000)
Total restricted funds	18	663,673	953,910
Unrestricted income funds	18	383,830	369,176
Total funds		1,047,503	1,323,086

MID ESSEX ANGLICAN ACADEMY TRUST

(A company limited by guarantee)
REGISTERED NUMBER: 08524638

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 21 to 51 were approved by the Trustees, and authorised for issue on 30 November 2020 and are signed on their behalf, by:

A Barton - Chair of Trustees

A Barton
Chair of Trustees

The notes on pages 25 to 51 form part of these financial statements.

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	21	28,991	<i>180,291</i>
Cash flows from investing activities	22	30,308	<i>(57,905)</i>
Change in cash and cash equivalents in the year		59,299	<i>122,386</i>
Cash and cash equivalents at the beginning of the year		480,131	<i>357,745</i>
Cash and cash equivalents at the end of the year	23, 24	539,430	<i>480,131</i>

The notes on pages 25 to 51 from part of these financial statements

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Mid Essex Anglican Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful life, as follows:

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- 125 years
Building enhancements	- 2 years straight-line basis
Furniture and equipment	- 5 years straight-line basis
Computer equipment	- 4 years straight-line basis
Motor vehicles	- 25% reducing balance

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

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

The academy trust company occupies land provided to it by site trustees under mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

As the academy trust occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the trustees have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

However, since no rent is payable by the Academy trust, this amounts to an annual donation equal to the value of rent not charged. Consequently included within these accounts is a donation income amounting to £96,280 and a rent expense of £96,280. Further detail is provided in note 29 to these financial statements.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy Trust'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.

Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.14 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The only critical area of judgement other than the LGPS pension scheme liability is the exclusion of occupied land and buildings from the academy trusts financial statements, further details of which can be found in note 15.

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

3. Income from donations and capital grants

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	-	23,597	27,675	51,272	39,082
Capital Grants	-	206,394	-	206,394	36,442
Use of premises donation	96,280	-	-	96,280	96,280
Total 2020	<u>96,280</u>	<u>229,991</u>	<u>27,675</u>	<u>353,946</u>	<u>171,804</u>
<i>Total 2019</i>	<u>96,280</u>	<u>36,442</u>	<u>39,082</u>	<u>171,804</u>	

4. Funding for the Academy Trust's educational operations

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	1,877,855	1,877,855	1,848,289
Other DfE/ESFA grants	280,530	280,530	199,043
	<u>2,158,385</u>	<u>2,158,385</u>	<u>2,047,332</u>
Other government grants			
Local authority grants	44,685	44,685	63,713
	<u>44,685</u>	<u>44,685</u>	<u>63,713</u>
Other funding			
Other income	9,036	9,036	16,566
	<u>2,212,106</u>	<u>2,212,106</u>	<u>2,127,611</u>
<i>Total 2019</i>	<u>2,127,611</u>	<u>2,127,611</u>	

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5. Income from other trading activities

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Hire of facilities	-	22,536	22,536	24,025
Catering income	41,737	-	41,737	67,017
Educational trips and visits	41,230	6,700	47,930	64,475
	<u>82,967</u>	<u>29,236</u>	<u>112,203</u>	<u>155,517</u>
<i>Total 2019</i>	<u><u>124,490</u></u>	<u><u>31,027</u></u>	<u><u>155,517</u></u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Short term deposits	1,014	1,014	771
	<u>771</u>	<u>771</u>	
<i>Total 2019</i>	<u><u>771</u></u>	<u><u>771</u></u>	

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total 2019 £</i>
Educational Operations:					
Direct costs	1,622,429	-	113,061	1,735,490	1,656,351
Allocated support costs	397,658	197,031	527,674	1,122,363	1,236,071
	<u>2,020,087</u>	<u>197,031</u>	<u>640,735</u>	<u>2,857,853</u>	<u>2,892,422</u>
<i>Total 2019</i>	<u><u>1,885,083</u></u>	<u><u>191,087</u></u>	<u><u>816,252</u></u>	<u><u>2,892,422</u></u>	

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8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Educational Operations	2,857,853	2,857,853	2,892,422
<i>Total 2019</i>	2,892,422	2,892,422	

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Educational Operations	1,735,490	1,122,363	2,857,853	2,892,422
<i>Total 2019</i>	1,656,351	1,236,071	2,892,422	

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	1,622,260	1,622,260	1,506,499
Technology costs	173	173	9,454
Educational supplies	72,000	72,000	90,910
Insurance	13,816	13,816	16,253
Staff development	5,726	5,726	8,650
Educational consultancy	20,788	20,788	13,601
Agency supply teaching costs	169	169	10,075
Recruitment and support	-	-	95
Other staff costs	558	558	814
	<u>1,735,490</u>	<u>1,735,490</u>	<u>1,656,351</u>
<i>Total 2019</i>	<u><u>1,656,351</u></u>	<u><u>1,656,351</u></u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Net pension finance charge	15,000	15,000	17,000
Staff costs	397,658	397,658	368,509
Depreciation	325,811	325,811	454,153
Technology costs	649	649	662
Maintenance of premises	50,565	50,565	40,030
Cleaning	10,568	10,568	10,034
Rent and rates	111,771	111,771	113,827
Energy costs	24,127	24,127	27,196
Insurance	17,297	17,297	15,703
Security and transport	1,897	1,897	4,046
Catering	41,521	41,521	69,201
Support staff supply costs	5,094	5,094	1,176
Legal and professional fees	67,974	67,974	60,630
Other support costs	52,431	52,431	53,904
	<u>1,122,363</u>	<u>1,122,363</u>	<u>1,236,071</u>
<i>Total 2019</i>	<u>1,236,071</u>	<u>1,236,071</u>	

During the year ended 31 August 2020, the Academy Trust incurred the following Governance costs: £18,575 (2019 - £14,190) included within the table above in respect of Educational Operations.

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £	<i>2019 £</i>
Operating lease rentals	11,699	11,888
Depreciation of tangible fixed assets	325,811	454,153
Fees paid to auditors for:		
- audit	10,750	10,750
- other services	500	500
	<u>10,750</u>	<u>10,750</u>

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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,495,471	1,433,014
Social security costs	109,566	111,071
Pension costs	414,881	330,923
	<u>2,019,918</u>	<u>1,875,008</u>
Agency staff costs	169	10,075
	<u><u>2,020,087</u></u>	<u><u>1,885,083</u></u>

b. Staff numbers

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

	2020 No.	2019 No.
Management	5	5
Teachers and classroom support	54	56
Admin	31	31
	<u>90</u>	<u>92</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £343,087 (2019 £308,024).

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12. Central services

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

13. 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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
S Taggart, CEO, Head Teacher and Accounting Officer	Remuneration	80,000 -	75,000 -
		85,000	80,000
	Pension contributions paid	15,000 -	10,000 -
		20,000	15,000

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

14. Trustees' and Officers' insurance

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

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15. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Building enhancemen ts £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2019	1,250,000	-	927,467	353,232	88,658	12,906	2,632,263
Additions	-	13,022	5,823	35,418	19,680	-	73,943
Disposals	-	-	-	-	(1,899)	-	(1,899)
At 31 August 2020	1,250,000	13,022	933,290	388,650	106,439	12,906	2,704,307
Depreciation							
At 1 September 2019	62,500	-	674,444	225,408	50,790	7,159	1,020,301
Charge for the year	10,000	-	241,124	55,589	17,662	1,437	325,812
On disposals	-	-	-	-	(1,899)	-	(1,899)
At 31 August 2020	72,500	-	915,568	280,997	66,553	8,596	1,344,214
Net book value							
At 31 August 2020	1,177,500	13,022	17,722	107,653	39,886	4,310	1,360,093
At 31 August 2019	1,187,500	-	253,022	127,824	37,868	5,747	1,611,961

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15. Tangible fixed assets (continued)

The academy trust occupies land provided to it by site trustees under mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

In respect of having considered the fact that the academy trust occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the directors have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the company.

However, since no rent is payable by the Academy, this amounts to a donation equal to the value of rent not charged. Consequently included within these accounts is a donation income amounting to £96,280 and a rent expense of £96,280.

16. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	96,280	96,280
	<u>96,280</u>	<u>96,280</u>
Due within one year		
Other debtors	102,276	105,785
Prepayments and accrued income	204,047	85,309
	<u>402,603</u>	<u>287,374</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	-	(73)
Other taxation and social security	27,537	26,972
Other creditors	2,225	16,325
Accruals and deferred income	126,862	125,156
	<u>156,624</u>	<u>168,380</u>

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17. Creditors: Amounts falling due within one year (continued)

	2020	2019
	£	£
	2020	2019
	£	£
Deferred income at 1 September 2019	68,583	54,733
Resources deferred during the year	61,839	68,583
Amounts released from previous periods	(68,583)	(54,733)
	61,839	68,583

The deferred income at 31 August 2020 is made up of the following:

ESFA Rates Funding £4,469
 UIFSM Funding £54,595
 Trip Income £1,352
 Catering Income £1,198
 Other £225

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

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted General Funds	369,176	57,926	-	(43,272)	-	383,830
Restricted general funds						
General Annual Grant (GAG)	22,638	1,877,855	(1,904,822)	21,788	-	17,459
Other DfE/ESFA Grants	6,210	280,530	(281,252)	-	-	5,488
Local Authority Grants	-	44,685	(44,685)	-	-	-
Other Income	-	92,003	(92,003)	-	-	-
Use of Premises Reserve	192,560	96,280	(96,280)	-	-	192,560
Pension reserve	(888,000)	-	(113,000)	-	(97,000)	(1,098,000)
	(666,592)	2,391,353	(2,532,042)	21,788	(97,000)	(882,493)
Restricted fixed asset funds						
Inherited Fixed Assets	1,230,801	-	(33,974)	-	-	1,196,827
Assets Purchased Since Conversion	381,161	-	(291,837)	73,943	-	163,267
DfE/ESFA Capital Grants	8,540	181,894	-	(27,993)	-	162,441
Local Authority Capital Grants	-	24,500	-	(869)	-	23,631
Donated Capital Income	-	23,597	-	(23,597)	-	-
	1,620,502	229,991	(325,811)	21,484	-	1,546,166
Total Restricted funds	953,910	2,621,344	(2,857,853)	43,272	(97,000)	663,673
Total funds	1,323,086	2,679,270	(2,857,853)	-	(97,000)	1,047,503

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18. Statement of funds (continued)

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

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

Restricted general funds are resources for educational purposes.

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

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

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Shenfield St Mary's CofE Primary School	491,411	450,222
Mountnessing CofE Primary School	107,926	140,362
Total before fixed asset funds and pension reserve	599,337	590,584
Restricted fixed asset fund	1,546,166	1,620,502
Pension reserve	(1,098,000)	(888,000)
Total	1,047,503	1,323,086

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Shenfield St Mary's CofE Primary School	1,223,382	282,188	94,287	288,934	1,888,791	1,831,540
Mountnessing CofE Primary School	398,879	115,470	18,941	109,961	643,251	606,729
Academy Trust	1,622,261	397,658	113,228	398,895	2,532,042	2,438,269

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
Unrestricted General Funds	357,789	70,877	-	(59,490)	-	369,176
Restricted general funds						
General Annual Grant (GAG)	1,585	1,848,292	(1,830,939)	3,700	-	22,638
Other DfE/ESFA Grants	4,450	199,043	(197,283)	-	-	6,210
Local Authority Grants	-	63,713	(63,713)	-	-	-
Other Income	-	141,054	(141,054)	-	-	-
Use of Premises Reserve	192,560	96,280	(96,280)	-	-	192,560
Pension reserve	(660,000)	-	(109,000)	-	(119,000)	(888,000)
	(461,405)	2,348,382	(2,438,269)	3,700	(119,000)	(666,592)
Restricted fixed asset funds						
Inherited Fixed Assets	1,266,681	-	(35,878)	-	-	1,230,803
Assets Purchased Since Conversion	704,315	-	(418,273)	95,118	-	381,160
DfE/ESFA Capital Grants	11,425	36,442	-	(39,328)	-	8,539
	1,982,421	36,442	(454,151)	55,790	-	1,620,502
Total Restricted funds	1,521,016	2,384,824	(2,892,420)	59,490	(119,000)	953,910
Total funds	1,878,805	2,455,701	(2,892,420)	-	(119,000)	1,323,086

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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	1,360,094	-	1,360,094
Debtors due after more than one year	96,280	-	-	96,280
Current assets	275,852	186,072	383,830	845,754
Creditors due within one year	(156,625)	-	-	(156,625)
Provisions for liabilities and charges	(1,098,000)	-	-	(1,098,000)
Total	(882,493)	1,546,166	383,830	1,047,503

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	1,611,961	-	1,611,961
Debtors due after more than one year	96,280	-	-	96,280
Current assets	293,507	8,538	369,180	671,225
Creditors due within one year	(168,380)	-	-	(168,380)
Provisions for liabilities and charges	(888,000)	-	-	(888,000)
Total	(666,593)	1,620,499	369,180	1,323,086

20. Transfer between funds

Funds have been transferred in respect of the following;

£32,562 has been transferred from unrestricted funds to restricted fund for General Annual Grant representing unrestricted funds reallocated for restricted purposes.

£10,710 has been transferred from unrestricted funds to restricted fixed asset funds representing assets purchased funded from the trusts own reserves.

£10,774 has been transferred from restricted fund for General Annual Grant to restricted fixed asset funds representing assets purchased funded from the trusts own reserves.

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21. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(178,584)	(436,718)
Adjustments for:		
Depreciation	325,812	454,153
Capital grants from DfE and other capital income	(103,236)	(36,442)
Interest receivable	(1,014)	(771)
Defined benefit pension scheme cost less contributions payable	98,000	92,000
Defined benefit pension scheme finance cost	15,000	17,000
Decrease in debtors	11,526	142,528
Decrease in creditors	(11,758)	(51,459)
(Increase) in capital debtors	(126,755)	-
Net cash provided by operating activities	28,991	180,291

22. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	1,014	771
Purchase of tangible fixed assets	(73,942)	(95,118)
Capital grants from DfE Group	55,139	36,442
Capital funding received from sponsors and others	48,097	-
Net cash provided by/(used in) investing activities	30,308	(57,905)

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	539,430	480,131
Total cash and cash equivalents	539,430	480,131

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	480,131	59,299	539,430
	<u>480,131</u>	<u>59,299</u>	<u>539,430</u>

25. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>38,377</u>	<u>-</u>

26. Pension commitments

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

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

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26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £211,670 (2019 - £142,860).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £130,000 (2019 - £120,000), of which employer's contributions totalled £104,000 (2019 - £95,000) and employees' contributions totalled £ 26,000 (2019 - £25,000). The agreed contribution rates for future years are 22.9 to 25.0 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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

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26. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.60	1.90
Inflation assumption (CPI)	2.25	2.20
RPI increase	3.05	3.20

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.8	21.3
Females	23.8	23.6
<i>Retiring in 20 years</i>		
Males	23.2	23.0
Females	25.2	25.4

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	1,884	1,526
Discount rate -0.1%	1,980	1,607
Mortality assumption - 1 year increase	2,001	1,625
Mortality assumption - 1 year decrease	1,863	1,509

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

	2020	2019
	£	£
Equities	432,000	427,000
Gilts	30,000	38,000
Corporate bonds	39,000	38,000
Property	54,000	54,000
Cash and other liquid assets	19,000	20,000
Alternative assets	81,000	66,000
Other managed funds	42,000	35,000
Total market value of assets	697,000	678,000

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26. Pension commitments (continued)

The actual return on scheme assets was £19,000 (2019 - £48,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(202,000)	(169,000)
Past service cost	-	(18,000)
Interest cost	(15,000)	(17,000)
Total amount recognised in the Statement of financial activities	(217,000)	(204,000)

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

	2020 £	2019 £
At 1 September	1,566,000	1,191,000
Current service cost	202,000	169,000
Interest cost	29,000	32,000
Employee contributions	26,000	25,000
Actuarial losses	130,000	152,000
Benefits paid	(22,000)	(21,000)
Past service costs	-	18,000
At 31 August	1,931,000	1,566,000

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

	2020 £	2019 £
At 1 September	678,000	531,000
Interest income	14,000	15,000
Actuarial gains	33,000	33,000
Employer contributions	104,000	95,000
Employee contributions	26,000	25,000
Benefits paid	(22,000)	(21,000)
At 31 August	833,000	678,000

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26. Pension commitments (continued)

Impact of the McCloud/Sargeant judgement on the Local Government Pension Scheme

An allowance was made in 2019 for the Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. On 27 June 2019 the Supreme Court denied the Government's request for an appeal, and on 15 July 2019 the Government released a statement to confirm that it expects to have to amend all public service schemes, including the LGPS.

The estimated impact on the total liabilities at 31 August 2019 was allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 August 2020.

This adjustment is an estimate of the potential impact on the Trust's defined benefit obligation as provided by the scheme's actuary. The Actuary's assessment is based on analysis carried out by the Government Actuary's Department (GAD) and the Trust's liability profile.

The GAD assessment is based on a "worst-case" scenario whereby this case impacts on all active members in the scheme as at 31 March 2019. It is the view of the Trustees and their actuary that this is not a realistic estimate. The actuary has therefore adjusted their estimate to only include members who were active at 31 March 2012.

On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. The consultation closed on 8 October 2020 and the final remedy will only be known after the consultation responses have been reviewed and a final set of remedial Regulations are published. It is not anticipated that there are any material differences between the approach underlying the estimated allowance in 2019 and the proposed remedy.

27. Operating lease commitments

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

	2020	2019
	£	£
Not later than 1 year	10,720	11,699
Later than 1 year and not later than 5 years	-	10,720
	10,720	22,419

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2020	2019
	£	£
Operating lease rentals	11,699	11,888

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28. Members' liability

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

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29. 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The academy trust occupies land provided to it by site trustees under a licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period. The licence is held between the academy trust and the Board of Education of the Diocese of Chelmsford and the Board of Finance of the Diocese of Chelmsford and the Incumbent and Churchwardens of the Parishes of both Shenfield and Mountnessing and, for Mountnessing, the trustees of the John and Amy English Charity.

As the academy trust occupies the land and such buildings as may be or may come to be erected on it by a licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the directors have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the company.

However the trustees consider this represents a donation in kind corresponding to a rent expense. They consider a reasonable open market rent to be equivalent to 1/50th of the ESFA's desktop valuation. Since no notice has been given, the Academy has the right to occupy the premises for at least two years following the Balance Sheet date.

Consequently these accounts include; Donations £96,280 (2019: £96,280); Rent £96,280 (2019: £96,280); Other Debtors due under 1 year £96,280 (2019: £96,280) and Other Debtors due over 1 year £96,280 (2019: £96,280).

During the period the Diocese of Chelmsford provided the academy trust with services to the value of £1,150 (2019: £960) which is included in educational support costs within these financial statements. There were no transactions during the period between the academy and the Incumbent and Churchwardens of the Parishes of Shenfield and Mountnessing (2019: £NIL). There were no balances owing to/from the Diocese of Chelmsford and the Incumbent and Churchwardens of the Parish of Shenfield at 31 August 2020 (2019: £NIL).

During the period the John and Amy English Charity made a donation of £3,780 (2019: £4,332) to the academy trust.

During the period the academy trust purchased services to the value of £7,190 (2019: £6,216) from Kids Inspire, a registered charity of which the husband of S Taggart, a trustee during the period, is a trustee. There were no balances owing to Kids Inspire at 31 August 2020 (2019: £NIL).

In entering into these transactions the trust has complied with the requirements of ESFA's Academies Financial Handbook.

There were no other related party transactions during the period.

30. Controlling party

There is no overall controlling party.