



**THE MEAD EDUCATIONAL TRUST**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**THE MEAD EDUCATIONAL TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

Azam Mamujee  
Kishor Tailor  
Chris Wilkins  
Jill Wilkinson (resigned 19 February 2019)  
Anthony Glover (appointed 6 December 2018)

**Trustees**

Anthony Glover, Chair of Trustees<sup>2,3</sup>  
Carolyn Robson  
Gemma Bhagalia<sup>3</sup>  
Rachael Clarke<sup>1,2</sup>  
Victoria Bishop (appointed 18 June 2019, resigned 25 September 2019)  
Colin Forknall (resigned 13 August 2019)<sup>1</sup>  
Elaine Taylor<sup>2,3</sup>  
Kirsty Holt (appointed 18 June 2019)  
Hiten Mehta (appointed 18 June 2019)  
Kasar Singh (appointed 18 June 2019)  
Deepak Karia<sup>1</sup>  
Hetal Parmar  
Kamlesh Kotecha (resigned 24 October 2018)

<sup>1</sup> Finance & Audit Committee

<sup>2</sup> Remuneration Committee

<sup>3</sup> Learning Outcomes Committee

**Company registered number**

09079258

**Company name**

The Mead Educational Trust

**Principal and registered office**

The Mead Educational Trust  
The Mead Centre  
343 Gipsy Lane  
Leicester  
LE4 9DD

**Company secretary**

Cathy Brown

**Chief executive officer**

Carolyn Robson

**Senior management team**

Carolyn Robson, Chief Executive Officer  
David Wyatt, Chief Financial Officer  
Cathy Brown, Head of Governance  
Rita Hindocha, Director of Secondary Education  
Sarah Ridley, Director of Primary Education  
Dave Roper, Strategic Director of Teaching School

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

**Independent auditors** Magma Audit LLP  
Chartered Accountants  
Unit 2, Charnwood Edge Business Park  
Syston Road  
Cossington  
Leicestershire  
LE7 4UZ

**Bankers** Lloyds Bank  
High Street  
Leicester  
LE1 4FP

**THE MEAD EDUCATIONAL TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

By 31 August 2019, The Mead Educational Trust (TMET) comprised eight schools (five primary and three secondary), Leicester Teaching School and Leicestershire Secondary SCITT (School Centred Initial Teacher Training), all of which are based in Leicester. At that time, TMET's schools had a combined pupil capacity of 4,836 and a combined number on roll of approximately 4,900.

One of these schools is Castle Mead Academy, a new secondary school which opened in late August 2019. Two further Leicester primary schools have since joined the Trust on 1 September 2019, Abbey Mead Primary Academy and Kestrel Mead Primary Academy, bringing the number of schools to ten and the total number of pupils to over 6,000.

TMET was established to provide a local sponsorship solution and became fully operational in November 2015 with its first two schools, Rushey Mead Academy and North Mead Primary Academy (previously Northfield House Primary Academy). By the end of the 2018-19 financial year TMET has grown to an 'Established Trust' of eight schools and, by the start of September 2019, to ten schools. The Trust has approval to open another secondary Free School, Brook Mead Academy, in 2021. The Trust is deliberately a cross phase entity, believing that everyone has much to learn from each other and that primary colleagues in particular have a rich, holistic understanding of their learners.

TMET has always been underpinned by a strong moral purpose and commitment to improving life chances for all young people. There has been a long history of collaboration and system leadership through the National Support Schools at Rushey Mead Academy and Willowbrook Mead Primary Academy (previously Willowbrook Primary Academy) and through its Teaching School and Leicestershire Secondary SCITT. The TMET Board of Trustees is determined to continue to develop a high performing multi academy Trust (MAT) that delivers the very best educational experience for pupils at both primary and secondary level.

As a MAT, TMET builds on reciprocity and partnership to develop excellent opportunities and ambitious, aspirational outcomes for all, whilst nurturing self worth and resilience. Alongside this reciprocal partnership arrangement sits clear accountability measures facilitated by strong governance and quality assurance.

In its pursuit of delivering the best educational experience for our pupils, the Trust continues to develop a cost effective, sustainable organisation and a business model that delivers efficiency, effectiveness and economies of scale in order to free up more resources for pupils and school improvement.

There is a fast pace of change in the educational landscape, particularly as more schools convert to academies, and especially in Leicester City where TMET is based. The Trust has strategic plans for the next three years which support the core focus of delivery of outstanding education and school improvement. Alongside this TMET is carefully growing its number of schools and central team to create further capacity within the Trust.

In the summer of 2019 six of the eight schools in TMET changed their names to include 'Mead'. (Rushey Mead and Castle Mead Academies already had Mead in their names.) This was done to explicitly reflect all the schools' link with the Mead family of schools.

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

**Structure, governance and management**

● **Constitution**

The Mead Educational Trust is a company limited by guarantee (No. 09079258) and an exempt charity in accordance with the Academies Act 2010. The charitable company was incorporated on 10 June 2014.

The Mead Educational Trust changed its name from Rushey Mead Educational Trust on 19 July 2018.

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreements with the Department for Education (DfE). The Trustees of the Trust are the directors of the charitable company for the purposes of company law and the Trustees for the purposes of charity law. The charitable company is known as The Mead Educational Trust.

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.

● **Members' liability**

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

● **Trustees' indemnities**

TMET has opted out of the Department for Education's risk protection arrangement (RPA) scheme in favour of a comprehensive package of insurance with Zurich. This policy includes general coverage for Public Liability (£25m) Employers Liability (£25m) as well as a specific policy for Governor Liability (£2m). It is not possible to quantify the Trustees and officer indemnity element from the overall cost of the scheme as the insurance is costed on a per pupil basis.

● **Method of recruitment and appointment or election of Trustees**

Under Article 50 of the Trust Articles of Association, the Members will appoint up to six Trustees. Under Article 57, the Trust Chief Executive Officer shall be a Trustee, providing they agree to take on this role. In addition, Article 58 permits the Trustees to appoint Co opted Trustees. A 'Co opted Trustee' means a person who is appointed to be a Trustee by being co opted by Trustees who have not themselves been so appointed.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re appointed or re elected at a General Meeting.

No more than one third of the Trustees should be employees of the Trust, including the Chief Executive Officer if they are a Trustee.

Ordinarily there shall be between 9 and 11 Trustees on the Board.

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

**Structure, governance and management (continued)**

● **Policies adopted for the induction and training of Trustees**

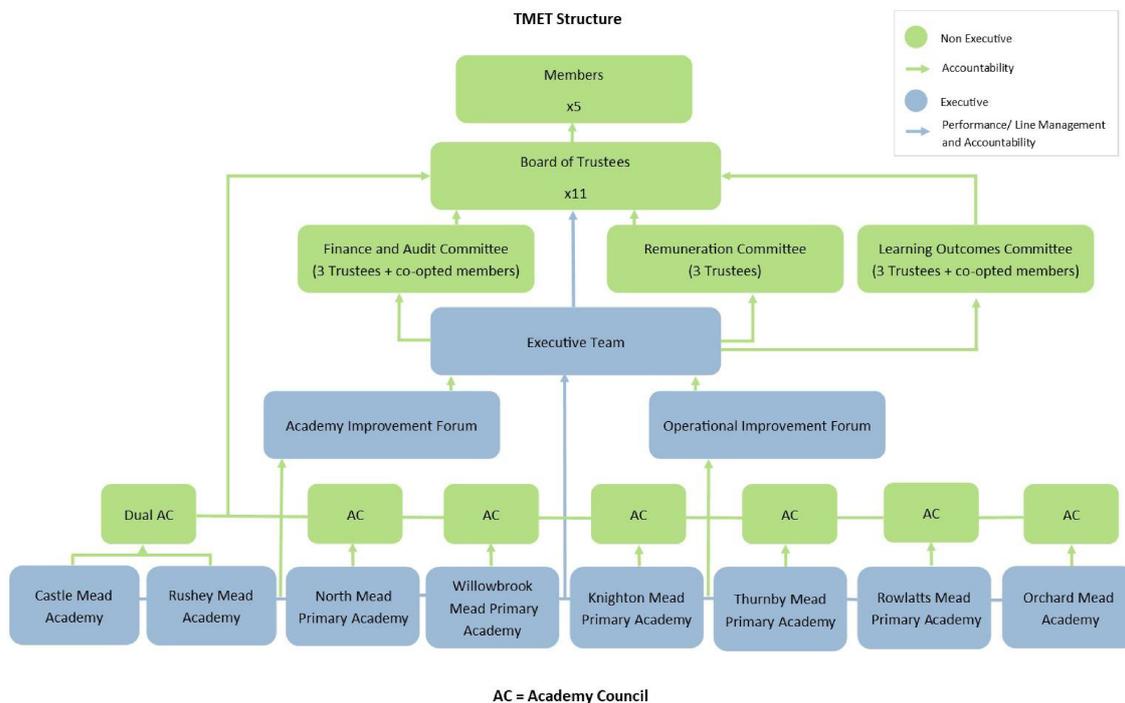
Each new Trustee attends a face to face induction session with the Trust Head of Governance. Where a Trustee joins a committee or takes on a particular role (e.g. Safeguarding Trustee), they meet with an appropriate member of the Trust central team for a briefing on that area (e.g. with the Chief Financial Officer for a Trustee who will join the Finance and Audit Committee).

Trustees have access to the Trust bespoke training sessions and to governance training provided by the Teaching School, Local Authority Governor Services and other providers. They also have access to Learning Link online governance training. Any costs associated with governance training and development are met by the Trust central budget.

Support, advice and guidance is available to Trustees from the Trust Head of Governance. Additional information and guidance is available through the Board's membership of the National Governance Association.

● **Organisational structure**

The Trust Governance and Accountability Structure at 31 August 2019:



**Members**

The Members are the guardians of the Trust constitution, changing the Articles of Association if necessary and ensuring the charitable objects are fulfilled. The Members appoint some of the Trustees and can exercise powers to remove them. The Trust will ordinarily have five Members.

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

**Structure, governance and management (continued)**

**Board of Trustees**

The Board of Trustees is responsible for conducting the affairs of the Trust to achieve its objectives, shaping the success of the Trust. The Board is responsible for the governance of the Trust and the Trustees have duties as company directors under company law and as Trustees under charity law. The Trustees establish the overall framework for governance of the Trust and determine membership, terms of reference and procedures of Board committees and academy councils.

The Board of Trustees meets four times per year.

**Finance and Audit Committee**

This committee provides assurance to the Trust Board over the sustainability of, and compliance with, the Trust's financial systems and operational controls. The committee's role is to maintain an oversight of the Trust's financial governance, risk management, internal control and value for money framework.

This committee meets four times per year.

**Learning Outcomes Committee**

This committee, which started in September 2018, provides assurance to the Trust Board on the standards, performance and safeguarding of all schools and education providers within TMET. The committee monitors and evaluates pupil progress and attainment and the quality of teaching, ensuring the Trust provides a consistently high quality learning experience and delivers a broad and balanced curriculum in keeping with the Trust's aims and vision, all pupil needs and legal requirements.

This committee meets four times per year.

**Remuneration Committee**

This committee considers, determines and keeps under review a framework for the remuneration and terms and conditions of the Trust CEO and senior staff, both in individual schools and in the Trust Executive Team. The committee uses benchmarking evidence of the remuneration, benefits and incentives paid to senior staff in comparable employment and ensures the remuneration or other sums paid to senior staff do not exceed amounts that are reasonable in all the circumstances.

This committee meets once per year.

**Academy Councils**

Each school has its own academy council. Each academy council is a committee of the Trust Board and is given responsibility for detailed oversight of its school. The exception to this is the Trust's newly opened Castle Mead Academy which has had a dual academy council with Rushey Mead Academy for 2018-19. This will continue for the first two years after Castle Mead Academy opens (i.e. 2019-20 and 2020-21).

An academy council is comprised of members appointed by the Trust, elected parents and staff and the Principal. A school in special measures or causing concern may have a smaller academy council, e.g. Orchard Mead Academy (previously Hamilton Academy) has done so since it joined TMET in September 2017.

The extent of the powers of the academy councils is set down in the Trust Scheme of Delegation and in the Academy Council Constitution and Terms of Reference. Schools that are in special measures or causing concern may have fewer delegated powers, e.g. the academy council of Orchard Mead Academy (previously Hamilton Academy) has not had financial responsibilities since the school joined TMET in September 2017 to enable the academy council to focus on educational provision, behaviour and safeguarding.

The key responsibilities of an academy council include to:

- provide robust challenge and positive support to the Principal and senior leadership team of the Academy;
- determine the educational character, mission and ethos of the academy;
- monitor progress against the academy improvement plan;
- monitor pupils' progress and attainment;

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

**Structure, governance and management (continued)**

- monitor the effectiveness of the academy's SEND provision;
- monitor the deployment and impact of Pupil Premium, Year 7 Literacy and Numeracy Catch-up Premium (secondary) and Sports Premium (primary);
- monitor the implementation of the academy's behaviour policy;
- ensure the safeguarding, wellbeing and health and safety of pupils and staff;
- support the senior leadership team in planning staffing structure and in management of staff;
- ensure good financial health and probity;
- develop appropriate risk management strategies;
- ensure effective health and safety practice; and
- establish and maintain relationship with the local community, including parents.

**Trust Executive Team and Central Team**

The Executive Team is the executive management arm of the Trust, focusing on operations and the educational performance of the academies. The team operates under the leadership and direction of the Chief Executive Officer, who is also the Accounting Officer and, by virtue of their position, a Trustee. The Executive Team also includes the Chief Financial Officer, Director of Secondary Education, Director of Primary Education, Head of Governance, Trust Operations Manager, Head of HR and Strategic Director of the Teaching School.

During 2018-19 the Executive Team has been supported by other members of the Trust central team including the Governance and Compliance Officer, Executive Assistant and Finance Team. In addition, a number of consultants have been engaged over the year to provide additional, flexible capacity in HR, business, finance and free school project management.

Towards the end of 2018-19, additional appointments have been made: Executive Administrator, HR Adviser and Marketing and Communications Office. These were in response to the departure of the Governance and Compliance Officer in August 2019 and to a review of the needs of the Trust and workload of the central team.

A restructure of IT support for the schools and the Trust was carried out in early 2019, resulting in a centralised IT Team from September 2019.

The Executive Team works directly with the Academy Improvement Forum (Principals), Operational Improvement Forum (Business Managers), staff in each school and the academy councils to ensure that the required outcomes are achieved in accordance with the direction and vision of the Trust Board.

**Academy Improvement Forum**

The Trust school Principals meet fortnightly in the Academy Improvement Forum. The meetings alternate between all Principals together and the primary and secondary phases meeting separately. The Director of Secondary Education and Director of Primary Education chair the separate meetings and the CEO chairs the joint ones. These meetings provide a very effective forum for professional dialogue and challenge, are integral to all school improvement activities and enable the Principals to suggest developments to the Executive Team.

**Operational Improvement Forum**

All the Trust School Business Managers meet fortnightly with the Trust Chief Financial Officer, and other operational staff as appropriate, in the Operational Improvement Forum. These meetings provide a very effective forum for professional dialogue and challenge, are integral to all school business activities and enable the Business Managers to suggest developments to the Executive Team.

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

**Structure, governance and management (continued)**

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

The Trust's Pay Policy sets out the framework for making decisions on Trust employees' pay. It has been developed to comply with current legislation, the requirements of the School Teachers' Pay and Conditions Document (STPCD) and the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service ("Green Book") and in accordance with the principles of public life – objectivity, openness and accountability.

Pay decisions for Trust and academy senior leadership posts are made by the Trust Remuneration Committee. The pay levels of the key management personnel are benchmarked against comparable positions at similar sized Multi Academy Trusts.

● **Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time** £

Total cost of facility time	-
Total pay bill	<b>21,030,605</b>
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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● **Related parties and other connected charities and organisations**

Although there are a number of professional links with other schools and third party organisations, the Trust is an independent company with no affiliation to outside bodies.

The Trust works closely with a wide variety of organisations in the field of education, including but not restricted to:

- Leicester City Council
- Leicester City Educational Improvement Partnership
- Leicestershire Secondary SCITT
- Challenge Partners
- The British Council
- Teaching Schools Council
- East Midlands, South Yorkshire and Humber Teaching Schools Alliance

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

**Structure, governance and management (continued)**

- a number of Multi Academy Trusts

**Objectives and activities**

● **Objects and aims**

The Trust's mission statement is 'together we make a positive difference'.

Our mission statement demonstrates our fundamental belief that we can achieve more together than separately. We believe that we will be able to provide the best possible education for local young people where our schools create a climate within which young people will thrive. We will achieve this through strong collaboration, through strong executive leadership and management, through excellent learning, teaching and assessment, where our teachers are expert in their fields, and where we have effective local governance, a professional approach to our business, and sound financial management.

We have built our vision and values around the 7 Cs:

<b>Challenge</b>	Providing an excellent education by having high aspirations for all young people and giving them confidence in themselves, so they can become the best they can be and contribute actively to society.
<b>Collaboration</b>	Working effectively and harmoniously together across phases and accepting our shared accountability for meeting our aims.
<b>Culture</b>	Respecting and celebrating diversity and enabling children and young people to participate in, and respond to, artistic and cultural experiences.
<b>Community</b>	Building a safe and stimulating environment where caring relationships and kindness are consistently developed and communication is excellent.
<b>Courage</b>	Making sure all decisions are based on clear high moral values and commitment to doing the right thing with compassion and integrity.
<b>Creativity</b>	Providing pioneering, innovative, vibrant and enjoyable learning experiences that are open to all and based on research, so that the curriculum sits at the forefront of education.
<b>Character</b>	Nurturing positive character attributes such as perseverance, resilience, confidence, optimism, tolerance, respect, community spirit, honesty, integrity and dignity.

Each school is required to develop a unique ethos and character reflecting its community and context rather than the Trust imposing a predetermined solution. However, where schools require sponsored solutions or strong intervention, we will put in place a tight school improvement solution with much less flexibility and greater control.

The Trust ensures its values drive its key performance indicators and the academy improvement strategy. In particular, it is committed to ensuring that all its young people, particularly the least advantaged, receive excellent teaching so that they can make progress that is outstanding. The Trust, as the employer of all staff within its schools, provides high quality, professional development for staff so they can develop their own learning and skills.

The Trust is fully committed to a school led system, as already demonstrated through its Teaching School, SCITT and Challenge Partners Hub. It believes that strong networks build capacity from within and a culture that is constantly reflective and outward focused.

Trust strategy begins from careful audits of each new school, understanding through due diligence processes the strengths and areas for development in each school from the beginning. Each of our schools has a challenging improvement plan which is carefully monitored both by the academy council and the Trust Executive

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

**Objectives and activities (continued)**

Team, overseen by the Trust's Board of Trustees. The Trust also captures areas of expertise that can share capacity to support other schools as well as school specific requirements. Bespoke high quality packages of support are facilitated, using the Trust's network of system leadership and core services. The school improvement model ensures that schools needing full recovery have strong support and monitoring. The Trust builds leadership and management capacity internally and trains and deploys their own NLEs, LLEs and SLEs via the Teaching School.

A major benefit of the model is formalised school to school support, impacting directly on all young people. Leadership development and career opportunities within the Trust also directly impact on outcomes by providing secondment opportunities and breadth of experience to colleagues within the Trust. This school led system ensures the Trust schools have strong networks and a strong voice in their own future. Schools which join our Trust are able to help shape and develop its work and benefit both from the support they have received and the opportunities for school improvement they are in turn able to offer.

● **Public benefit**

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The Trust supports schools, both inside and outside the Trust, through the National Support School status of two of its academies, delivery of professional development, through the Trust's Leicester Teaching School Alliance, and the sharing of effective practice and knowledge to ultimately benefit the wider community.

The Academy's public benefit is enshrined in its charitable objectives, which state "to play a role in the regeneration of communities that the academies serve by increasing the belief of parents and carers in the purpose and value of education and valuing the partnership with families and children".

**Strategic report**

**Achievements and performance**

● **Key performance indicators**

By the end of 2018-19 the Trust is providing education for over 4,800 pupils in Leicester in eight academies, three of which are secondary (11-16 years) and five of which are primary. Two further Leicester primary schools have since joined the Trust on 1 September 2019 bringing the number of schools to ten and the total number of pupils to over 6,000.

The Trust Board and Executive Team monitor a range of KPIs in all of the academies to ensure that issues are quickly identified and strategies are developed to address concerns. These include:

- pupil achievement
- outcomes of Ofsted inspections and Challenge Partner Reviews
- pupil attendance
- pupil behaviour (exclusions, bullying, racist incidents)
- staff training and development
- quality of teaching
- staff absence
- staff vacancies
- parents' evening attendance
- complaints

The quality of education provided by the Trust continues at a high standard. This is reflected in the 2019 results, the Challenge Partner Review of each school and the Ofsted inspections of the three TMET schools which have been inspected since joining the Trust:

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

**Strategic report (continued)**

**Achievements and performance (continued)**

School	Joined TMET	Ofsted grading on joining	Ofsted Grading now
Rushey Mead Academy	01/11/2015	Outstanding	Outstanding
North Mead Primary Academy	01/11/2015	Inadequate	Good (03/07/2018)
Willowbrook Mead Primary Academy	01/06/2016	Outstanding	Outstanding
Knighton Mead Primary Academy	01/06/2016	Good	Good (02/05/2019)
Thurnby Mead Primary Academy	01/07/2016	Good	Good (14/05/2019)
Rowlatts Mead Primary Academy	01/04/2017	Good	Good
Orchard Mead Academy	01/09/2017	Inadequate	N/A (Ofsted grading not carried over)
Castle Mead Academy	23/08/2019	N/A (new school)	N/A

**Primary school results**

The 2019 Key Stage 2 performance data show that performance remains strong and that the Trust aggregate results are all above national averages as shown in the table below for age related expectations (ARE) and for greater depth (GD). Performance is particularly strong compared to national in greater depth. The five primary schools work together very effectively, sharing staff and expertise, working collaboratively and moderating.

	2019 KS2 National Average %	2019 KS2 Trust aggregate %	2018 KS2 Trust aggregate %	2017 KS2 Trust aggregate %
Reading ARE	73	79	82	75
Writing ARE	78	85	87	83
Maths ARE	79	87	87	86
EGPS ARE	78	85	87	77
Combined ARE	65	76	78	69
Reading GD	28	31	36	21
Writing GD	20	26	27	27
Maths GD	24	43	34	25
EGPS GD	34	38	42	33
Combined GD	10	18	16	8

Note: all 2019 figures are provisional and unvalidated at the time of submission

**Secondary school results**

The Key Stage 4 results are shown separately for Rushey Mead and Orchard Mead Academies because they are at such different stages in their school improvement journey. There are no results for Castle Mead Academy because it is a new school and its first intake of pupils was in August 2019.

In the 2018-19 results Rushey Mead Academy continued to significantly exceed national averages.

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

**Strategic report (continued)**

**Achievements and performance (continued)**

<b>Rushey Mead Academy</b>	<b>2018 National Average</b>	<b>2019 Academy (provisional)</b>	<b>2018 Academy</b>	<b>2017 Academy</b>
Progress 8	-0.02	0.82	0.75	0.75
Attainment 8	46.5	53.9	53.2	53
Grade 5 or above in English and maths	43.3%	60.2%	55%	59%
EBacc APS (new from 2018)	4.04	5.18	5	-
EBacc Entry	38.4%	71.2%	63%	66%
Staying in education or entering employment	94%		97%	96%

Hamilton Academy joined the Trust in September 2017 as a sponsored academy after being placed in special measures by Ofsted in October 2016. Since then, a great deal of support has been provided by the Trust central team, Rushey Mead Academy and the Teaching School and significant developments have been made at the school.

The results show continued improvement:

<b>Hamilton Academy (renamed Orchard Mead Academy summer 2019)</b>	<b>2018 National Average</b>	<b>2019 Academy (provisional)</b>	<b>2018 Academy</b>	<b>2017 Academy</b>
Progress 8	-0.02	-0.49	-0.65	-0.78
Attainment 8	46.5	32.8	31.6	31.3
Grade 5 or above in English and maths	43.3%	21.1%	15%	17%
EBacc APS (new from 2018)	4.04	2.89	2.74	-
EBacc Entry	38.4%	25.9%	31%	20%
Staying in education or entering employment	94%		95%	91.3%

**SCITT**

The Leicestershire Secondary SCITT (School Centred Initial Teacher Training) works with a range of partnership schools in Leicester and Leicestershire and continues to achieve a high level of success. In 2018-19, it was successful in increasing the number of trainees to 57 trainees across 12 subjects, its biggest cohort yet. This included 12 Salaried School Trainees and two Researchers in School. Five trainees withdrew from the course and 52 achieved QTS (Qualified Teacher Status). Those who withdrew had various reasons but, overwhelmingly, teaching was not a career they wanted to pursue.

**Key Achievements**

- 96% (50/52) trainees graduating with QTS were rated as Good or Outstanding in their final assessments. An increase from previous years.
- 94% (49/52) NQTs are now working in Leicester/Leicestershire schools.
- Since 2013, the SCITT has trained 222 teachers.
- The number of partnership schools has grown to 56 (this includes primary, special, secondary, independent and sixth forms).
- During 2018-2019, 164 current teachers attended the following training: mentor training, the Power of Coaching, Outstanding Teacher Programme, Tom Sherrington conference. These were opportunities for colleagues in our partner schools to develop their mentoring skills.
- Two articles have been published in the OLEVI newsletter highlighting how OLEVI models and approaches have become an integral part of the Leicestershire Secondary SCITT.
- Additional income has been achieved through the contract with Eureka to take over some of the

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

**Strategic report (continued)**

**Achievements and performance (continued)**

- administration tasks for Subject Knowledge Enhancement courses.
- A well-being and workload strategy has been developed and two members of staff have attended the 'Mental Health First Aider' course. Trainees are well supported with access to a number of support services.

**STEM Internship Programme June/July 2019**

The SCITT was successful in its application to run the 'Teaching Internship' project. This involved running a four-week summer programme for Year 2 undergraduates, who are undertaking physics and mathematics related degrees, to discover teaching. The SCITT was successful in recruiting 10 interns who were placed in five partner schools.

**Challenges**

- Securing placements where trainees live further away.
- New Ofsted framework for ITT inspection in development.

**Teaching School**

The Teaching School continues to provide high quality development programmes for teaching and learning, leadership and governance. This includes the New Head Teachers' Programme which the Teaching School delivers on behalf of the Local Authority. The Teaching School also brokers school to school support by LLEs (Local Leaders of Education), SLEs (Specialist Leaders of Education) and NLEs (National Leaders of Education) who, in particular, are providing much needed support for a Derbyshire secondary school through the National Support offer.

Within TMET, the Teaching School has provided and brokered significant support to Orchard Mead Academy (previously Hamilton Academy) over the year, including co-ordinating a series of faculty reviews and a wide range of training and support for middle and senior leaders. This support was recognised in the school's February 2019 Challenge Partners Review as having significant impact.

In 2018-19 the Teaching School continued to oversee two DfE Strategic School Improvement Funding (SSIF) projects for Leicester schools. One was to support pupils with SEND at primary and secondary levels and the other was to raise Key Stage 4 Progress 8 outcomes in maths for disadvantaged students. Both projects progressed well over the year with the SEND project reporting significantly positive results for student outcomes in participating schools.

During the year the Teaching School secured a grant to work with approximately 20 secondary schools across Leicester and Leicestershire over 14 months to enhance the delivery of PE by providing training to existing PE teachers within these schools. This project will report on its outcomes in February 2020.

In 2018-19 Leicester Teaching School was awarded Appropriate Body Status which allows it to provide a service to support and quality assure newly qualified teachers (NQTs) from all phases in the teaching profession.

● **Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason 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.

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

**Strategic report (continued)**

**Achievements and performance (continued)**

● **Financial review**

The Academy Trust had a net increase in funds for the year ended 31 August 2019 of £901,756 including fixed assets movements but excluding pension reserve movements. As at 31 August 2019 the Trust held £1,719,980 of unrestricted reserves plus £2,700,270 of unspent (non fixed asset) restricted funds. The Trust therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £4,420,250.

The Trust had a pension deficit on their Local Government Pension Scheme of £11,026,000 at 31 August 2019 and a fixed asset reserve of £53,230,210 (being the book value of past purchases £52,344,998 plus £885,212 of unspent capital grants.)

There are no significant factors going forward that are expected to impact on the normal continuing operation of the Trust. The principle financial management policies adopted in the year are included in the Trust's internal financial policies and are typical for a Trust of this size and type. There were no unusual significant events worthy of comment during the year.

The principal sources of funding for the Trust are the General Annual Grant (GAG) and other DfE Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

The Trust's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

● **Reserves policy**

The Trust Board review the actual reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The target setting level of reserves will be considered annually by the Finance and Audit Committee and this target will be recorded in the minutes of the committee. The level of reserves held is set at the Trust level, however, it is the expectation that each individual Academy will achieve a similar position. The Academy Trust needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding.

The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted non designated funds, plus unspent General Annual Grant (GAG), should be a minimum of one month's salary costs for the Trust, being approximately £1,654,100 as a minimum.

Actual non designated unrestricted funds plus unspent GAG as at 31 August 2019 were £4,192,360, being higher than the minimum target level set by the Trustees by £2,538,260. This figure compares the actual reserves to the position the Trust has set as an absolute minimum of one month salary cost in the reserves policy. There is no maximum reserve level currently quoted in this policy. Research shows that the identification of the minimum level for reserves varies significantly across Multi Academy Trusts and that there is little uniformity in this area. The Chief Financial Officer will work with the Finance and Audit Committee during 2019/20 to review our current policy and make any suggestions for change in time for the preparation of the 2019/20 accounts. Looking at the balances currently held, there will be approved development expenditure from three primary academies in 2019/20 to a level of around £300,000. The Trust is further looking at a significant spend at one of our secondary academies to support the educational outcomes of the pupils. Our forward projections show reduced pupil numbers at the two established secondary academies and the short-term financial impact of this may require support from brought forward reserves.

The Academy Trust also held other available restricted revenue funds at the year end of £203,747 which are

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

**Strategic report (continued)**

**(continued)**

detailed further within note 21. Therefore, total available revenue reserves at 31 August 2019, including designated funds of £24,143 set aside for Teaching School use, were £4,420,250. Cash at bank and investments bank accounts at 31 August 2019 were £1,648,540 higher than total available reserves due principally to capital income received in advance of payment plus various other accruals timing differences.

Included within unrestricted funds above were designated funds of £24,143 at 31 August 2019. The Trustees have identified £11,600 as the minimum level of reserves to be held by the Teaching School as this represents one month's salary costs.

At 31 August 2019 the Trust's fixed asset reserve of £53,230,210 represented £52,344,998 of funds which could only be realised if the assets were sold, plus £885,212 of unspent capital grants.

The only reserve in deficit at the year end was the pension reserve (deficit of £11,026,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

**• Investment policy**

The Trust's Investment Policy ensures that funds which the Academy Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise income but without risk. Our aim is to spend the public monies with which we are entrusted for the direct education benefit of pupils as soon as is prudent. The Academy Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good practice as and when circumstances allow.

The purpose of the Trust Investment Policy is:

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements
- To ensure there is no risk of loss in capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds

Guidelines are strict and include:

- Regular cash balance reports are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding creditors that are due for payment.
- Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested following approval from the Finance and Audit Committee. Approval must be signed off and recorded in the committee minutes.
- In making decisions regarding where and how any surplus funds should be invested, due regard will be given to risk. The Finance and Audit Committee will set a maximum level of investment with any single provider. This decision will be recorded in the minutes of this committee.
- The main bank account for each academy attracts interest at the current rate of 0.1% regardless of any separate investment. This interest is paid directly into the bank account of the individual academies and is a true reflection of the interest earned on their own balances.
- Currently, it is expected that surplus funds will be invested with the existing banker Lloyds Bank in an instant access deposit account. There is potential for a better rate of return from investing a single value that may be a contribution from any combination of Academies. The interest accrued would then be distributed proportionally to each academy.

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

**Strategic report (continued)**

**(continued)**

- The Finance and Audit Committee will receive a report at each meeting as to the performance of the investment.
- The Chief Financial Officer will research alternative sources of investment return at least twice a year and will report to the Finance and Audit Committee the options available. Any decision to diversify the investments must be recorded in the minutes of this committee.
- The Finance and Audit Committee will consider the ethical and moral standing of any alternative investment provider and they will ensure that this potential investment partner meet the standards that will be expected by the Trust Board.

The aim is to reach an appropriate level of reserve to allow the management and the Finance and Audit Committee to explore alternative investment possibilities with criteria being:

- Investment with a different counterparty (in order to reduce counterparty risk);
- Consideration of whether there should be a maximum level of investment with a single approved counterparty; and
- A longer term investment with a higher return (but not high risk investments which are not in the best interests of the Academy Trust).

● **Principal risks and uncertainties**

The Trust has a risk register which lists potential risks and actions to mitigate the risk. The risk register is reviewed by the Trust senior leaders and the Trustees. Each academy has its own risk register which is kept under review by that academy senior leadership team and local governing body.

The Trust identified key risks are:

- A failure to raise and maintain academy standards: This is mitigated by rigorous monitoring of performance, early identification of under performance followed by quick response, continued focus on high quality teaching and deployment of Trust support and development opportunities.
- A failure to recruit pupil numbers and resulting drop in funding: This is mitigated by developing strong marketing, particularly for the secondary academies. Pupil numbers (current and projected) are monitored closely.
- Failure to manage finances effectively resulting in financial insecurity and instability: This is mitigated by the appointment of a suitably qualified and experienced Chief Financial Officer (CFO) who is supported by a finance team, appropriate financial management processes and systems implemented Trust wide, frequent meetings of academy business managers with CFO, training and support for academy business managers and rigorous addressing of recommendations from internal and external financial audits.
- The future financial viability of the LGPS pension scheme and increases in employer payroll on costs.
- Failure to achieve planned growth and capacity of Trust: This is being addressed by developing relationships and partnerships with other schools, by continuing to improve performance to develop the Trust track record and by ensuring that staff and pupils in Trust academies have a good experience and become ambassadors for the Trust.
- The Trust lacks the capacity and infrastructure to support its academies: This is mitigated by the appointment of a Trust central team which is supported by staff from academies who also have a Trust role, e.g. Director of Primary Education, Director of Secondary Education, Primary Lead Practitioners. The Teaching School plays a large part in supporting academy improvement. Additional external support is commissioned as required and the workload and impact of central staff is kept under review as the Trust expands.
- Failure of the due diligence process resulting in the Trust taking in a school with significantly higher needs than expected and the resulting detrimental effect on the Trust and its existing

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

**Strategic report (continued)**

**(continued)**

Academies: This is being mitigated by the development of a more rigorous and in depth due diligence process.

- Loss of key staff: This is mitigated by the appointment of a number of senior staff in the Trust, by the creation of the Trust Executive Team which meets frequently and by succession planning. It is also supported by a high priority on staff well being and CPD to support retention.

**Fundraising**

Fundraising is very limited throughout the Trust. It is primarily related to pre planned non uniform days for students/pupils. These events were mostly connected to annual national charity appeals such as Children in Need and Red Nose Day

A total of £9,920 was raised across the Trust and paid across in full within the year end or post year end.

The Trust maintains separate nominal codes for charity income and expenditure and these accounts are reconciled to ensure all funds are paid out in full.

**Plans for future periods**

The Trust has clear strategic ambitions built on its vision and values, at the core of which is the determination that 'together we make a positive difference'. The Trust KPIs set out our high level aspirations and are grouped together under the headings of:

- Together we make a positive difference for our learners
- Together we make a positive difference through our governance
- Together we make a positive difference through our leadership
- Together we make a positive difference through our staff
- Together we make a positive difference to the educational landscape
- Together we make a positive difference through effective operations

The Trust 3 year Business Plan (2018-2021) sets out how we will plan, guide and improve our Trust, ensuring there is a clear focus on raising standards and on improving leadership, governance, teaching and learning. We will also continue to develop a cost effective, sustainable organisation and a business model that delivers efficiency, effectiveness and economies of scale in order to free up more resources for pupils and school improvement. Our first phase of development concentrated on building capacity in order to realise our ambition to assist schools with greater needs, including full recovery where required. The Business Plan is taking us through our next phase of growth.

**Growth**

The Trust is now a well established, respected, cross phase MAT comprising (as of 31 August 2019) eight schools, the Teaching School, SCITT, over 4,800 pupils, a combined GAG income of £21 million and a total income in excess of £28 million. This includes Castle Mead Academy, a new secondary school, which opened in late August 2019.

Two further primary schools joined the Trust on 1 September 2019 (Abbey and Kestrels' Field Primary Schools), bringing the number of schools to ten and the total number of pupils to over 6,000.

The ambition of the Trust is to grow further in membership in order to create both value for money central services and a highly responsive school improvement model. A key aim of the Trust is to have a balance of schools at different starting points in their journey of improvement, therefore creating effective capacity for sponsorship. We intend to grow our membership in a carefully controlled way to extend our reach and impact in our local communities.

The Trust has permission to open another new secondary school in Leicester, Brook Mead Academy, in 2021.

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

**Plans for future periods (continued)**

To develop school improvement capacity further, the Trust has developed working partnerships with a number of secondary schools in Leicestershire.

The central Trust team is developing alongside the growth in the number of schools to provide capacity to support sustainable improvement. In 2019 the Trust has developed a centralised IT team and has recruited an HR Adviser and a Marketing and Communications Officer. Further growth may include development of central services in school improvement, curriculum design, data analysis, education welfare, educational psychology, behaviour, business management and estates.

**Funds held as custodian on behalf of others**

The Academy Trust does not hold funds on behalf of any other organisations.

**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.

**Auditors**

The auditors, Magma Audit LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 17 December 2019 and signed on its behalf by:

**Anthony Glover**  
Chair of Trustees

**THE MEAD EDUCATIONAL TRUST**  
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**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 The Mead Educational 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.

During the year there have been two Trustee resignations: Kamlesh Kotecha (24 October 2018) and Colin Forknall (13 August 2019). There have been four Trustee appointments (Vicky Bishop, Kirsty Holt, Hiten Mehta and Kasar Singh). These appointments were made at the last meeting of the year (18 June 2019).

The Board of Trustees has formally met 4 times during the year.

Effective oversight of funds is maintained through the year via:

- 4 Board meetings
- 4 Finance and Audit Committee meetings
- Monthly budget management reports which are sent to the Trust CEO, Chair of Trustees and Chair of Finance and Audit Committee and are shared with all Trustees on GovernorHub
- Twice yearly meetings of the CFO with the Chair of the Finance and Audit Committee to provide the opportunity for that Chair to interrogate financial management across the Trust.

Attendance during the year at meetings of the Board of Trustees is presented in the following table. Kamlesh Kotecha ceased to be a Trustee before the first meeting of the year. The four new Trustees were appointed at the end of the last Board meeting of the year so the first Board meeting they can attend as Trustees is in September 2019.

Trustee	Meetings attended	Out of a possible
Anthony Glover, Chair of Trustees	4	4
Carolyn Robson	4	4
Gemma Bhagalia	4	4
Rachael Clarke	1	4
Victoria Bishop	0	0
Colin Forknall	3	4
Elaine Taylor	4	4
Kirsty Holt	0	0
Hiten Mehta	0	0
Kasar Singh	0	0
Deepak Karia	2	4
Hetal Parmar	4	4
Kamlesh Kotecha	0	0

The Finance and Audit Committee is a committee of the Board of Trustees. Its purpose is to provide assurance over the sustainability of, and compliance with, the Trust's financial systems and operational controls. The committee's role is to maintain an oversight of the Trust's financial governance, risk management, internal control and value for money framework. This committee incorporates the role of an Audit Committee. Whilst academy councils draft their annual budget and set their own staffing levels, the Board of Trustees has overall

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

responsibility of approving or not approving these recommendations prior to submission to the ESFA by 31 July each year.

Attendance at Finance and Audit Committee meetings in 2018-19 was as follows:

Trustee	Meetings attended	Out of a possible
Deepak Karia	2	4
Rachael Clarke	3	4
Colin Forknall	3	4

The Learning Outcomes Committee, which started in September 2018, provides assurance to the Trust Board on the standards, performance and safeguarding of all schools and education providers within TMET. The committee monitors and evaluates pupil progress and attainment and the quality of teaching, ensuring the Trust provides a consistently high quality learning experience and delivers a broad and balanced curriculum in keeping with the Trust's aims and vision, all pupil needs and legal requirements.

Attendance at Learning Outcomes Committee meetings in 2018-19 was as follows:

Trustee	Meetings attended	Out of a possible
Elaine Taylor	4	4
Gemma Bhagalia	3	4
Anthony Glover	2	4

The Remuneration Committee meets in the autumn term to receive recommendations for performance-related pay increases for senior Trust staff, including in the academies.

Attendance at Remuneration Committee meetings in 2018-19 was as follows:

Trustee	Meetings attended	Out of a possible
Anthony Glover	1	1
Rachael Clarke	1	1
Elaine Taylor	1	1

**Governance reviews**

The Board of Trustees has driven significant development in the Trust this year, and these are grouped under the six key features of effective governance as set out in the DfE Governance Handbook.

Strategic leadership:

- Discussions on Trust growth – new schools and the development of the central team.
- Change of school names, to emphasise that all the schools are part of the same family and to support the development of the profile of Orchard Mead Academy (previously Hamilton Academy)
- Development of a new Trust business plan for 2018-2021.
- Risk management.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

Accountability:

- Refinement of the Trust data dashboards and the move to an online data analysis platform for 2019-20.
- Review and challenge of school educational performance and improvement information, including scrutiny of data and Challenge Partner reviews and through presentations by principals.
- Review and challenge of financial performance, including approval of budget, monitoring of Trust budget and oversight of outcomes of financial audits.
- Scrutiny of pay recommendations of Trust senior leaders' salary levels and independent benchmarking report (through Board Remuneration Committee).
- Consideration of the impact the Trust has had on its schools.
- Attendance of Trustees at the Members' meeting in February 2019 where they were questioned about the effectiveness of governance in the Trust.
- The appointment of a Safeguarding Trustee and a Trust Safeguarding Lead in 2018-19 and the first Safeguarding Forum was held to bring these roles together with the Safeguarding Councillors for all the Trust schools.

People:

- Development of the Trust central team, including recruitment of the Trust Executive Administrator, HR Adviser and Marketing and Communications Officer.
- Restructure to a centralised IT team to provide support for all the schools and the Trust central team.
- Development of the Trust's capacity to support school improvement, for example through realignment of the roles of the Directors of Primary and Secondary Education.
- Relocation of the Trust central team from Rushey Mead Academy to offices at The Mead Centre.
- Recruitment of four new Trustees to widen and strengthen the skills coverage of the Board.
- Attendance of the Board Chair and Vice-Chair at the termly Chairs' and Vice-Chairs' Forum to meet with the Head of Governance and all the academy council chairs.
- All new Trustees and academy councillors attend Trust induction.
- Good engagement with governance training provided by TMET and Teaching School.
- Recruitment of three new clerks for seven schools.

Structures:

- The Board Learning Outcomes Committee started in September 2018 and met 4 times over the year.

Compliance:

- Review of latest version of Academies Financial Handbook and updating of practices and relevant policies to bring them in line.
- A comprehensive QA system is carried out with reviews and audits of Trust and schools, including financial audits, Challenge Partner Reviews, Safeguarding Healthchecks and website reviews.

Evaluation:

- A review was carried out of Trust local governance in Spring 2019 and has led to improvements.
- A governance survey was carried across the Trust in January 2019 and this has led to developments in support, training and communications.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

As Accounting Officer, the Chief Executive Officer 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:

Centralisation of 'bespoke' business and management support with individual Academies. The objective of any change has been to enable the Academy Principals to fully focus on the core business of teaching and learning, raising standards, and achieving improved outcomes for pupils.

The following are examples of actions in 2018-19 to achieve better value for money across the Trust:

- Continued centralisation of the individual academy bank accounts to improve the efficiency of operations and to enhance the controls around cash flow.
- Continued engagement of internal audit through Leicestershire County Council.
- Employment of Trust HR Manager and continued provision of external professional HR support.
- Ensuring the Trust business management arrangements are effective and efficient and enable the Trust to deliver its commitments, and to grow and prosper.
- Further development of the forums for principals, chairs and vice-chairs and business/finance staff throughout the Trust to discuss and develop best practice.
- Providing appropriate training for finance staff to ensure that all academies within the Trust can utilise the benefits of a single finance system through PS Financials.
- Providing appropriate training for finance staff to ensure that all academies within the Trust can utilise the benefits of a single budget system through Orovia.
- Enabling each Trust school participating in central contracts to openly and transparently share the financial savings that these efficiencies bring.
- Negotiating Trust wide contracts such as catering and payroll. Reviewing all contracts held across the Trust, identifying opportunities to improve value for money.
- Merger of all Trust schools within one cloud central domain to achieve greater efficiencies and more opportunities to collaborate.
- Restructure of school and Trust IT support into a Central IT Support Team to achieve better value for money and a more effective and consistent service.

**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 The Mead Educational Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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**GOVERNANCE STATEMENT (CONTINUED)**

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council 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:

- testing on payroll systems
- testing of purchase systems
- testing of control accounts and bank reconciliations

On an annual basis, the internal auditor reports to the Board of Trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The 2018-19 internal audits for the seven schools and the central Trust function were completed in May and June 2019 by Leicestershire County Council. Castle Mead Academy was not audited because it did not open until August 2019. In all cases, there were no significant or concerning issues.

**Review of effectiveness**

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

- the work of 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 Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 17 December 2019 and signed on their behalf by:

Anthony Glover  
Chair of Trustees

Carolyn Robson  
Accounting Officer

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of The Mead Educational 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 2018.

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 2018.

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

**Carolyn Robson**  
Accounting Officer  
Date: 17 December 2019

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

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

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

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

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

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

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

Approved by order of the members of the board of Trustees on 17 December 2019 and signed on its behalf by:

**Anthony Glover**  
Chair of Trustees

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
MEAD EDUCATIONAL TRUST**

**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**THE MEAD EDUCATIONAL TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
MEAD EDUCATIONAL 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 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.

**THE MEAD EDUCATIONAL TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
MEAD EDUCATIONAL 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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

**Luke Turner ACA FCCA (Senior Statutory Auditor)**

for and on behalf of

**Magma Audit LLP**

Chartered Accountants

Statutory Auditors

Unit 2, Charnwood Edge Business Park

System Road

Cossington

Leicestershire

LE7 4UZ

**THE MEAD EDUCATIONAL TRUST**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Mead Educational Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Mead Educational Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Mead Educational Trust's funding agreement with the Secretary of State for Education dated 10 June 2014 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the Academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

**THE MEAD EDUCATIONAL TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MEAD  
EDUCATIONAL 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Reporting Accountant**

**Magma Audit LLP**

Unit 2, Charnwood Edge Business Park  
Syston Road  
Cossington  
Leicestershire  
LE7 4UZ

Date:

**THE MEAD EDUCATIONAL TRUST**  
(A company limited by guarantee)

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>As restated Total funds 2018 £</i>
Note					
<b>Income from:</b>					
Donations and capital grants:					
3					
Transfer from Local Authority on conversion	-	-	-	-	17,689,165
Donation of Head Office from Local Authority	-	-	-	-	948,000
Other donations and capital grants	4,118	432,696	941,397	1,378,211	1,922,896
Charitable activities:					
4					
Funding for the Academy Trust's educational operations	-	25,699,163	-	25,699,163	24,188,740
Teaching school	156,414	484,601	-	641,015	746,670
SCITT	-	617,464	-	617,464	339,840
5	265,262	-	-	265,262	106,381
6	26,330	-	-	26,330	9,781
<b>Total income</b>	<b>452,124</b>	<b>27,233,924</b>	<b>941,397</b>	<b>28,627,445</b>	<b>45,951,473</b>
<b>Expenditure on:</b>					
Raising funds	194,100	-	-	194,100	70,793
Charitable activities:					
Academy Trust educational operations	168,951	25,485,329	1,768,861	27,423,141	25,292,752
Teaching School	152,158	474,230	-	626,388	755,132
SCITT	-	643,060	-	643,060	942,365
<b>Total expenditure</b>	<b>345,445</b>	<b>26,772,383</b>	<b>1,768,861</b>	<b>28,886,689</b>	<b>27,061,042</b>
<b>Net income/(expenditure)</b>	<b>106,679</b>	<b>461,541</b>	<b>(827,464)</b>	<b>(259,244)</b>	<b>18,890,431</b>
Transfers between funds	-	(403,740)	403,740	-	-
<b>Net movement in funds before other recognised gains/(losses) carried forward</b>	<b>106,679</b>	<b>57,801</b>	<b>(423,724)</b>	<b>(259,244)</b>	<b>18,890,431</b>

**THE MEAD EDUCATIONAL TRUST**  
(A company limited by guarantee)

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

Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2018</i> <i>£</i>
<b>Net movement in funds before other recognised gains/(losses) brought forward</b>	<b>106,679</b>	<b>57,801</b>	<b>(423,724)</b>	<b>(259,244)</b>	<b>18,890,431</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gains/(losses) on defined benefit pension schemes	-	<b>(3,182,000)</b>	-	<b>(3,182,000)</b>	<b>1,943,000</b>
	<b>106,679</b>	<b>(3,124,199)</b>	<b>(423,724)</b>	<b>(3,441,244)</b>	<b>20,833,431</b>
<b>Net movement in funds</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward	<b>1,613,301</b>	<b>(5,201,531)</b>	<b>53,653,934</b>	<b>50,065,704</b>	<b>29,232,273</b>
Net movement in funds	<b>106,679</b>	<b>(3,124,199)</b>	<b>(423,724)</b>	<b>(3,441,244)</b>	<b>20,833,431</b>
<b>Total funds carried forward</b>	<b>1,719,980</b>	<b>(8,325,730)</b>	<b>53,230,210</b>	<b>46,624,460</b>	<b>50,065,704</b>

The notes on pages 36 to 66 form part of these financial statements.

**THE MEAD EDUCATIONAL TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 09079258**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	<i>As restated</i> 2018 £
<b>Fixed assets</b>			
Tangible assets	14	<b>52,344,998</b>	<i>52,877,778</i>
		<hr/>	<hr/>
		<b>52,344,998</b>	<i>52,877,778</i>
<b>Current assets</b>			
Stocks	15	<b>96,846</b>	63,663
Debtors	16	<b>1,494,348</b>	1,158,702
Investments	17	<b>2,500,000</b>	1,000,000
Cash at bank and in hand		<b>3,568,790</b>	4,512,009
		<hr/>	<hr/>
		<b>7,659,984</b>	6,734,374
Creditors: amounts falling due within one year	18	<b>(2,211,764)</b>	<i>(2,693,233)</i>
		<hr/>	<hr/>
<b>Net current assets</b>		<b>5,448,220</b>	<i>4,041,141</i>
<b>Total assets less current liabilities</b>		<hr/> <b>57,793,218</b>	<hr/> <i>56,918,919</i>
Creditors: amounts falling due after more than one year	19	<b>(142,758)</b>	<i>(170,215)</i>
		<hr/>	<hr/>
<b>Net assets excluding pension liability</b>		<b>57,650,460</b>	<i>56,748,704</i>
Defined benefit pension scheme liability	28	<b>(11,026,000)</b>	<i>(6,683,000)</i>
		<hr/>	<hr/>
<b>Total net assets</b>		<hr/> <b>46,624,460</b> <hr/>	<hr/> <i>50,065,704</i> <hr/>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset fund	21	<b>53,230,210</b>	53,653,934
Restricted income fund	21	<b>2,700,270</b>	1,481,469
		<hr/>	<hr/>
Restricted funds excluding pension liability	21	<b>55,930,480</b>	55,135,403
Pension reserve	21	<b>(11,026,000)</b>	<i>(6,683,000)</i>
		<hr/>	<hr/>
<b>Total restricted funds</b>	21	<b>44,904,480</b>	48,452,403
<b>Unrestricted income funds</b>	21	<b>1,719,980</b>	1,613,301
		<hr/>	<hr/>
<b>Total funds</b>		<hr/> <b>46,624,460</b> <hr/>	<hr/> <i>50,065,704</i> <hr/>

The financial statements on pages 31 to 66 were approved by the Trustees, and authorised for issue on 17 December 2019 and are signed on their behalf, by:

**THE MEAD EDUCATIONAL TRUST**  
**(A company limited by guarantee)**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

**Anthony Glover**  
Chair of Trustees

The notes on pages 36 to 66 form part of these financial statements.

**THE MEAD EDUCATIONAL TRUST**  
(A company limited by guarantee)

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

	<b>Note</b>	<b>2019</b> <b>£</b>	<i>As restated</i> <i>2018</i> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	<b>856,541</b>	1,607,368
<b>Cash flows from investing activities</b>			
	25	<b>(272,303)</b>	(83,694)
<b>Cash flows from financing activities</b>			
	24	<b>(27,457)</b>	65,858
<b>Change in cash and cash equivalents in the year</b>		<b>556,781</b>	1,589,532
Cash and cash equivalents at the beginning of the year		<b>5,512,009</b>	3,922,477
<b>Cash and cash equivalents at the end of the year</b>	26	<b>6,068,790</b>	5,512,009

The notes on pages 36 to 66 form part of these financial statements

**THE MEAD EDUCATIONAL TRUST**  
**(A company limited by guarantee)**

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

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

The Mead Educational 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.

The Academy Trust is benefiting from the ESFA's Free School Building Programme. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the Academy Trust controls through lease the site where a development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions)

**THE MEAD EDUCATIONAL TRUST**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.3 Income (continued)**

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.

Notional income and notional expenditure have been recognised in the statement of financial activities incorporating income and expenditure account in relation to the apprenticeship levy in line with the provision of training received.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

Donations for facilities and services are included in incoming resources when the benefit to the Academy Trust is reasonably quantifiable and measurable. The rental value of facilities being used by Rushey Mead Academy are included in donations at a value the Academy Trust would have to pay at an open market value.

- **Transfer on conversion**

Where assets are received by the Academy Trust on conversion to an Academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risk and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within income from donations and capital grants. The land and buildings are held on a 125 year lease with the Local Authority (LA). The cost of the land and buildings was arrived at using either the ESFA or Leicestershire County Council standard valuation on a depreciated replacement cost basis provided to the Academy Trust. This provided a value for the land and buildings as at the date of conversion.

- **Transfer of existing academies into the Academy Trust**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

**THE MEAD EDUCATIONAL TRUST**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.3 Income (continued)**

**1.4 Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

- **Grants payable**

These are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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

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

**THE MEAD EDUCATIONAL TRUST**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.7 Tangible fixed assets**

Assets costing £500 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.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Leasehold buildings	- 2-5% straight line
Leasehold land (125 year lease)	- over 125 years
Furniture and fixtures	- 15% straight line
Computer equipment	- 25% straight line

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

**1.8 Current asset investments**

Current asset investments are cash or cash equivalents with a maturity date of less than one year valued at fair value.

**1.9 Stocks**

Classroom consumables, unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

**1.10 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.

**1.11 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.

**THE MEAD EDUCATIONAL TRUST**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.12 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 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.

**1.13 Provisions**

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

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

**1.14 Financial instruments**

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

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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.

**1.15 Operating leases**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.16 Pensions**

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

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

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

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

**1.17 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

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**2. Critical accounting estimates and areas of judgment**

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

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.

**Defined benefit pension scheme**

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

**Tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

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**3. Income from donations and capital grants**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>As restated Total funds 2018 £</i>
Transfer from Local Authority on conversion	-	-	-	-	17,689,165
Donation of Head Office from Local Authority	-	-	-	-	948,000
	-	-	-	-	18,637,165
Capital grants	-	-	941,397	<b>941,397</b>	1,559,841
Donations	4,118	-	-	<b>4,118</b>	3,055
Donated use of asset	-	432,696	-	<b>432,696</b>	360,000
<b>Subtotal</b>	4,118	432,696	941,397	<b>1,378,211</b>	1,922,896
	4,118	432,696	941,397	<b>1,378,211</b>	20,560,061
<i>Total 2018 as restated</i>	16,451	(847,000)	21,390,610	20,560,061	

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**4. Funding for the Academy Trust's educational operations**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	21,858,829	<b>21,858,829</b>	21,266,215
Other DfE Group grants	-	3,012,830	<b>3,012,830</b>	2,017,662
Teaching School	-	465,617	<b>465,617</b>	544,680
	-	25,337,276	<b>25,337,276</b>	23,828,557
<b>Other government grants</b>				
Special Educational Needs (SEN)	-	385,984	<b>385,984</b>	384,493
Early Years Single Funding Formula (EYSFF)	-	335,284	<b>335,284</b>	388,613
Pupil Premium (LAC)	-	28,976	<b>28,976</b>	57,707
Other grants	-	-	-	870
	-	750,244	<b>750,244</b>	831,683
<b>Other funding</b>				
School Centred Initial Teacher Training (SCITT)	-	617,464	<b>617,464</b>	339,840
Other funding	-	62,749	<b>62,749</b>	61,493
Teaching School	156,414	18,984	<b>175,398</b>	201,990
Apprenticeship levy	-	14,511	<b>14,511</b>	11,687
	156,414	26,801,228	<b>26,957,642</b>	25,275,250
<i>Total 2018</i>	<i>189,990</i>	<i>25,085,260</i>	<i>25,275,250</i>	

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**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Lettings income	41,670	<b>41,670</b>	22,925
Consultancy income	1,540	<b>1,540</b>	21,162
Other income	222,052	<b>222,052</b>	62,294
	<u>265,262</u>	<u><b>265,262</b></u>	<u>106,381</u>

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Bank interest	26,330	<b>26,330</b>	9,781

**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>	<i>Total 2018 £</i>
Expenditure on raising funds:					
Direct costs	-	-	-	-	2,990
Allocated support costs	138,074	-	56,026	<b>194,100</b>	67,803
Educational operations:					
Direct costs	14,670,112	1,326,646	2,795,740	<b>18,792,498</b>	16,736,533
Allocated support costs	6,636,331	2,118,508	1,145,252	<b>9,900,091</b>	10,253,716
	<u>21,444,517</u>	<u>3,445,154</u>	<u>3,997,018</u>	<u><b>28,886,689</b></u>	<u>27,061,042</u>
<i>Total 2018</i>	<u><u>20,497,881</u></u>	<u><u>2,835,640</u></u>	<u><u>3,727,521</u></u>	<u><u>27,061,042</u></u>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Educational operations	18,792,498	9,900,091	<b>28,692,589</b>	26,990,249
<i>Total 2018</i>	<u>16,736,533</u>	<u>10,253,716</u>	<u>26,990,249</u>	

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
LGPS pension interest cost (£485,000) less return on assets (£289,000)	<b>196,000</b>	200,000
Staff costs	<b>14,670,112</b>	13,502,013
Educational supplies	<b>652,588</b>	653,247
Examination fees	<b>223,301</b>	194,816
Staff development	<b>154,834</b>	132,456
Other direct costs	<b>933,048</b>	881,636
Teaching school and SCITT expenses	<b>553,493</b>	137,484
Depreciation	<b>1,326,646</b>	957,428
Technology costs	<b>82,476</b>	77,453
	<u><b>18,792,498</b></u>	<u>16,736,533</u>

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	<b>6,222,419</b>	6,582,464
Recruitment	<b>61,755</b>	55,530
Maintenance of premises and equipment	<b>293,460</b>	435,287
Cleaning	<b>105,880</b>	108,317
Rent & rates	<b>689,554</b>	553,542
Insurance	<b>171,615</b>	135,280
Depreciation	<b>442,215</b>	319,143
Catering	<b>420,735</b>	526,408
Legal and professional fees	<b>77,179</b>	54,332
Other support costs	<b>449,199</b>	596,411
Security and transport	<b>69,030</b>	64,683
Technology costs	<b>432,729</b>	413,603
Energy costs	<b>384,428</b>	334,310
Governance costs	<b>79,893</b>	74,406
	<b><u>9,900,091</u></b>	<u>10,253,716</u>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<i>2018 £</i>
Operating lease rentals	<b>35,232</b>	43,364
Depreciation of tangible fixed assets	<b>1,768,861</b>	1,276,571
Loss on disposal of fixed assets	<b>3,949</b>	-
Fees paid to auditors for:		
- audit	<b>23,000</b>	20,000
- other services	<b>20,000</b>	26,341
	<b><u>1,849,041</u></b>	<u>1,566,276</u>

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**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	15,829,380	15,284,075
Social security costs	1,530,524	1,475,893
Pension costs	3,670,701	3,339,814
	<u>21,030,605</u>	<u>20,099,782</u>
Agency staff costs	352,202	278,064
Staff restructuring costs	61,710	120,035
	<u>21,444,517</u>	<u>20,497,881</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	56,584	97,015
Severance payments	5,126	23,020
	<u>61,710</u>	<u>120,035</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,126 (2018: £23,020). Individually the payments were £5,126 (2018 - £23,020).

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	209	214
Administration and support	426	425
Management	16	11
	<u>651</u>	<u>650</u>

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**10. Staff costs (continued)**

**d. Higher paid staff**

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

	<b>2019</b>	2018
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>5</b>	3
In the band £70,001 - £80,000	<b>5</b>	5
In the band £80,001 - £90,000	<b>3</b>	4
In the band £90,001 - £100,000	<b>2</b>	2
In the band £100,001 - £110,000	<b>1</b>	-
In the band £120,001 - £130,000	-	1
In the band £150,001 - £160,000	-	1
	<b>=====</b>	<b>=====</b>

Of the 16 above employees, 13 participated in the Teachers' Pension Scheme and 2 in the Local Government Pension Scheme. During the year ended 31 August 2019 pension contributions for these staff members amounted to £199,972 (2018: £171,130).

**e. 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 £644,844 (2018: £717,701). These figures include salary costs of all Trustees employed by the Academy Trust, even where they have no management role within their employment.

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**11. Central services**

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

- human resources
- financial services
- legal services
- educational support services
- others as arising

The Academy charges for these services on the following basis:

5% of GAG funding.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Knighton Fields Primary Academy	52,182	52,167
Northfield House Primary Academy	86,142	82,417
Rushey Mead Academy	417,317	403,706
Rowlatts Hill Primary Academy	69,660	70,415
Thurnby Lodge Primary Academy	55,301	53,175
Willowbrook Primary Academy	88,266	88,321
Hamilton Academy	334,356	332,032
<b>Total</b>	<b>1,103,224</b>	<b>1,082,233</b>

**12. Trustees' remuneration and expenses**

The Chief Executive Officer (CEO) has been paid remuneration or has received other benefits from an employment with the Academy Trust. The CEO only receives remuneration in respect of services they provide undertaking the role of a CEO under their contract of employment.

The value of Trustees' remuneration and other benefits was as follows:

Carolyn Robson (Chief Executive Officer and Trustee)

Remuneration £90,000 - £95,000 (2018: £120,000 - £125,000)

Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000)

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

**13. Trustees' and officers' insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

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**14. Tangible fixed assets**

	Leasehold land and buildings £	Furniture and fixtures £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2018 (as previously stated)	34,714,119	1,666,942	913,028	37,294,089
Prior Year Adjustment	18,375,000	-	-	18,375,000
At 1 September 2018 (as restated)	53,089,119	1,666,942	913,028	55,669,089
Additions	166,421	568,500	505,109	1,240,030
Disposals	-	(1,888)	(8,037)	(9,925)
At 31 August 2019	53,255,540	2,233,554	1,410,100	56,899,194
<b>Depreciation</b>				
At 1 September 2018	1,934,272	442,246	414,793	2,791,311
Charge for the year	1,145,977	326,767	296,117	1,768,861
On disposals	-	(283)	(5,693)	(5,976)
At 31 August 2019	3,080,249	768,730	705,217	4,554,196
<b>Net book value</b>				
At 31 August 2019	50,175,291	1,464,824	704,883	52,344,998
At 31 August 2018 (as restated)	51,154,847	1,224,696	498,235	52,877,778

See note 1.3 regarding assets transferred on conversion.

The Multi Academy Trust was unable to obtain the property valuations at conversion for Hamilton Academy at the time of approval of the 2018 financial statements. The land and buildings valuation has been brought into the accounts as a prior year adjustment within the 31 August 2019 financial statements.

**15. Stocks**

	2019 £	2018 £
Classroom and other materials	96,846	63,663

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**16. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	91,487	61,107
VAT recoverable	353,442	295,202
Prepayments and accrued income	995,454	800,820
Other debtors	53,965	1,573
	<b>1,494,348</b>	<b>1,158,702</b>
	<b>1,494,348</b>	<b>1,158,702</b>

**17. Current asset investments**

	2019 £	2018 £
Current asset investments - Lloyds Bank	2,500,000	1,000,000
	<b>2,500,000</b>	<b>1,000,000</b>
	<b>2,500,000</b>	<b>1,000,000</b>

Current asset investments consists of a fixed interest rate deposit account with Lloyds Bank, being an investment of £2,500,000 at 1.15% maturing on 21 February 2020.

**18. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Other loans	32,946	32,946
Trade creditors	409,016	436,765
Other taxation and social security	373,703	351,912
Other creditors	550,876	505,318
Accruals and deferred income	845,223	1,366,292
	<b>2,211,764</b>	<b>2,693,233</b>
	<b>2,211,764</b>	<b>2,693,233</b>

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

	<b>2019</b>	<i>2018</i>
	£	£
	<b>2019</b>	<i>2018</i>
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2018	<b>625,846</b>	<i>589,155</i>
Resources deferred during the year	<b>393,833</b>	<i>625,846</i>
Amounts released from previous periods	<b>(625,846)</b>	<i>(589,155)</i>
	<b>393,833</b>	<i>625,846</i>
	<b>393,833</b>	<i>625,846</i>

The closing balance of deferred income mainly relates to funding for the Universal Infant Free School Meals and EYSFF income received in advance of 2019/20 academic year, plus various other timing adjustments.

**19. Creditors: Amounts falling due after more than one year**

	<b>2019</b>	<i>2018</i>
	£	£
Other loans	<b>142,758</b>	<i>170,215</i>
	<b>142,758</b>	<i>170,215</i>

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

	<b>2019</b>	<i>2018</i>
	£	£
Payable or repayable by instalments	<b>54,907</b>	<i>60,397</i>
	<b>54,907</b>	<i>60,397</i>
	<b>54,907</b>	<i>60,397</i>

The above creditor relates to the early termination of the Building Schools for the Future (BSF) contract and Condition Improvement Fund (CIF) loans.

The CIF loans consists of loans for a roofing project, a windows project, a heating project, and water system improvements as approved by the Education and Skills Funding Agency.

The loans are repayable over a 6 and 8 year period respectively and are to be repaid via deductions from General Annual Grant.

**20. Prior year adjustments**

The Multi Academy Trust was unable to obtain the property valuations at conversion for Hamilton Academy at the time of approval of the 2018 financial statements. The land and buildings valuation has been brought into the accounts as a prior year adjustment within the 31 August 2019 financial statements. The 2018 accounts have been restated for the donation from the Local Authority and the fixed asset addition for £18,375,000 respectively.

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**21. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Designated funds</b>						
Teaching School	19,086	156,414	(151,357)	-	-	24,143
<b>Unrestricted funds</b>						
General funds	1,594,215	295,710	(194,088)	-	-	1,695,837
<b>Total Unrestricted funds</b>	<b>1,613,301</b>	<b>452,124</b>	<b>(345,445)</b>	<b>-</b>	<b>-</b>	<b>1,719,980</b>
<b>Restricted general funds</b>						
General Annual Grant	1,357,911	21,858,829	(20,321,477)	(398,740)	-	2,496,523
Pupil Premium	-	1,628,749	(1,628,024)	-	-	725
Other DfE Group grants	3,268	1,384,081	(1,324,477)	-	-	62,872
Other government grants	1,200	750,244	(720,290)	-	-	31,154
Other funding	13,415	62,749	(52,618)	(5,000)	-	18,546
Teaching School	5,000	484,601	(474,230)	-	-	15,371
SCITT	100,675	617,464	(643,060)	-	-	75,079
Apprenticeship levy	-	14,511	(14,511)	-	-	-
Notional rent	-	432,696	(432,696)	-	-	-
Pension reserve	(6,683,000)	-	(1,161,000)	-	(3,182,000)	(11,026,000)
	<b>(5,201,531)</b>	<b>27,233,924</b>	<b>(26,772,383)</b>	<b>(403,740)</b>	<b>(3,182,000)</b>	<b>(8,325,730)</b>
<b>Restricted fixed asset funds</b>						
DfE Group capital grants	3,063,858	931,397	(206,210)	-	-	3,789,045
Other government grants	179,099	10,000	(48,099)	29,529	-	170,529
Capital refresh	486,370	-	(61,949)	-	-	424,421
Other capital income	5,387	-	(1,905)	5,000	-	8,482
Transfer from Local Authority	49,490,935	-	(1,272,320)	(3,949)	-	48,214,666
Capital expenditure from GAG	428,285	-	(178,378)	373,160	-	623,067

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**21. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
	<u>53,653,934</u>	<u>941,397</u>	<u>(1,768,861)</u>	<u>403,740</u>	<u>-</u>	<u>53,230,210</u>
<b>Total Restricted funds</b>	<u>48,452,403</u>	<u>28,175,321</u>	<u>(28,541,244)</u>	<u>-</u>	<u>(3,182,000)</u>	<u>44,904,480</u>
<b>Total funds</b>	<u><u>50,065,704</u></u>	<u><u>28,627,445</u></u>	<u><u>(28,886,689)</u></u>	<u><u>-</u></u>	<u><u>(3,182,000)</u></u>	<u><u>46,624,460</u></u>

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

**Designated funds**

The Teaching School fund relates to historic surpluses which have been built up prior to conversion to an Academy Trust plus any subsequent surpluses generated.

**Restricted funds**

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions purchased in the year.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. The closing balance of £725 has been spent in the in full in the Autumn 2019 term.

The other DfE group restricted funds consists of Universal Infant Free School Meals, Free School Meals, PE Sports Grant, National Support School Bursary, Year 7 Catch Up Grant, Appeals Funding, Teachers Pay Grant, Dedicated Schools Grant, Conversion Grants, National College for Teaching Leadership school salaried direct income, MAT Development and Improvement Fund (MDIF) income, DfE income and Free School income. The closing balance relates to DfE income of £9,338, MDIF funding of £10,000, Free School income of £42,995 and the Conversion Grant of £539.

Other government grants consists of Special Educational Needs (SEN) income, Early Years Single Funding Formula (EYSFF), Designated Specialist Provision (DSP) income and Pupil Premium Looked After Children. The closing balance relates to the DSP income of £29,654 and Pupil Premium Looked After Children of £1,500.

Other funding consists of William Allett Grant, Sports England Grant, Ernest Cook Grant, Coleman Ward Grant, milk income, Science Hub and Spoke income, Institute of Physics income, Education Improvement Partnership funding, Lawn Tennis Association (LTA) income, Magic Breakfast funding, Family Action Grant, WH Smith Grant, UK Sound Grant, PJ Foundation Grant, Summer School Grant and University of Leicester Grant. The closing balance relates to Science Hub and Spoke £15,906, LTA of £2,495 and PJ foundation of £145.

Teaching School relates to income from National College for Teaching and Leadership (NCTL) which includes the Teaching School Core Grant, School to School Support (STSS), SSIF income and various other project income. The closing balance relates to Special Leaders of Education online community fund £5,000, SSIF grant of £9,371 and William Allett Grant of £1,000.

School Centred Initial Teacher Training (SCITT) income relates to bursaries, tuition fees and programme fees funded by the DfE and other educational institutions. The closing balance relates to SCITT of £75,079.

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**21. Statement of funds (continued)**

Apprenticeship levy relates to notional income and expenditure recognised in relation to the training received by the Academy Trust as part of the scheme.

Notional rent relates to the notional income and expenditure recognised in relation to the mobile classrooms donated for use from the Local Authority.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

**Restricted fixed asset funds**

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned plus unspent funds of £607,457.

Other government grants relate to Big Lottery Grant's and Local Authority money received for fixtures and fittings, IT equipment and outdoor an gym. The closing balance relates to the net book value of the assets concerned.

The capital refresh money is an amount which has been reserved for ICT capital expenditure which stems from when Rushey Mead School was under Local Authority control. The closing balance relates to the net book value of the assets plus unspent funds of £277,755. The closing balance can only be used towards capital expenditure in Rushey Mead Academy, rather than in other Trust academies within The Mead Educational Trust.

Other capital income relate to funding received from various sources to purchase fixed assets. The closing balance relates to the net book value of the assets.

The transfer from Local Authority relates to the value of £51,842,180 (leasehold land and buildings plus moveable assets) transferred from the Local Authority to the Academy Trust on conversion. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

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

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**21. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Knighton Fields Primary Academy	206,995	259,483
Northfield House Primary Academy	45,270	26,553
Rowlatts Hill Academy	452,484	467,343
Rushey Mead Academy	1,862,690	1,273,207
Thurnby Lodge Primary Academy	186,375	141,288
Willowbrook Primary Academy	311,934	258,392
Hamilton Academy	1,000,512	409,115
Castle Mead Academy	1,428	-
Central Services	352,562	259,389
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	4,420,250	3,094,770
Restricted fixed asset fund	53,230,210	53,653,934
Pension reserve	(11,026,000)	(6,683,000)
	<hr/>	<hr/>
<b>Total</b>	<b>46,624,460</b>	<b>50,065,704</b>
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**21. Statement of funds (continued)**

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

	<i>Balance at 1 September 2017 £</i>	<i>As restated Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2018 £</i>
<b>Designated funds</b>					
Teaching School	18,505	189,990	(189,409)	-	19,086
<b>Unrestricted funds</b>					
General funds	1,606,624	132,613	(70,958)	(74,064)	1,594,215
<b>Total Unrestricted funds</b>	<b>1,625,129</b>	<b>322,603</b>	<b>(260,367)</b>	<b>(74,064)</b>	<b>1,613,301</b>
<b>Restricted general funds</b>					
General Annual Grant	467,547	21,266,215	(20,093,203)	(282,648)	1,357,911
Pupil Premium	14,608	1,628,276	(1,642,884)	-	-
Other DfE Group grants	142,528	389,386	(528,646)	-	3,268
Other government grants	3,034	831,683	(833,517)	-	1,200
Other funding	94,276	401,333	(381,519)	-	114,090
Other donations	47,925	-	(47,925)	-	-
Teaching School	14,043	556,680	(565,723)	-	5,000
Apprenticeship levy	-	11,687	(11,687)	-	-
Notional rent	-	360,000	(360,000)	-	-
Pension reserve	(6,360,000)	(1,207,000)	(1,059,000)	1,943,000	(6,683,000)
	<b>(5,576,039)</b>	<b>24,238,260</b>	<b>(25,524,104)</b>	<b>1,660,352</b>	<b>(5,201,531)</b>
<b>Restricted fixed asset funds</b>					
DfE Group capital grants	1,583,045	1,550,716	(141,062)	71,159	3,063,858
Other government grants	215,179	9,125	(40,799)	(4,406)	179,099
Capital refresh	525,550	-	(39,180)	-	486,370
Other capital income	6,541	-	(1,154)	-	5,387
Transfer from Local Authority	30,604,059	19,830,769	(943,893)	-	49,490,935
Capital expenditure from GAG	248,809	-	(110,483)	289,959	428,285
	<b>33,183,183</b>	<b>21,390,610</b>	<b>(1,276,571)</b>	<b>356,712</b>	<b>53,653,934</b>
<b>Total Restricted funds</b>	<b>27,607,144</b>	<b>45,628,870</b>	<b>(26,800,675)</b>	<b>2,017,064</b>	<b>48,452,403</b>

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

	<i>Balance at 1 September 2017 £</i>	<i>As restated Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2018 £</i>
<b>Total funds</b>	<u>29,232,273</u>	<u>45,951,473</u>	<u>(27,061,042)</u>	<u>1,943,000</u>	<u>50,065,704</u>

**22. Analysis of net assets between funds**

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

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	52,344,998	<b>52,344,998</b>
Current assets	1,719,980	5,054,792	885,212	<b>7,659,984</b>
Creditors due within one year	-	(2,211,764)	-	<b>(2,211,764)</b>
Creditors due in more than one year	-	(142,758)	-	<b>(142,758)</b>
Pension scheme liability	-	(11,026,000)	-	<b>(11,026,000)</b>
<b>Total</b>	<u>1,719,980</u>	<u>(8,325,730)</u>	<u>53,230,210</u>	<u><b>46,624,460</b></u>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	52,877,778	52,877,778
Current assets	1,613,301	4,344,917	776,156	6,734,374
Creditors due within one year	-	(2,693,233)	-	(2,693,233)
Creditors due in more than one year	-	(170,215)	-	(170,215)
Pension scheme liability	-	(6,683,000)	-	(6,683,000)
<b>Total</b>	<u>1,613,301</u>	<u>(5,201,531)</u>	<u>53,653,934</u>	<u>50,065,704</u>

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

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(259,244)</b>	18,890,431
<b>Adjustments for:</b>		
Depreciation	<b>1,768,861</b>	1,276,571
Capital grants from DfE and other capital income	<b>(941,397)</b>	(21,390,610)
Interest receivable	<b>(26,330)</b>	(9,781)
Defined benefit pension scheme obligation inherited	-	1,207,000
Defined benefit pension scheme cost less contributions payable	<b>965,000</b>	738,000
Defined benefit pension scheme finance cost	<b>196,000</b>	321,000
Increase in stocks	<b>(33,183)</b>	(10,679)
(Increase)/decrease in debtors	<b>(335,646)</b>	336,826
(Decrease)/increase in creditors	<b>(481,469)</b>	248,610
Loss on fixed asset disposals	<b>3,949</b>	-
<b>Net cash provided by operating activities</b>	<b>856,541</b>	1,607,368

**24. Cash flows from financing activities**

	2019 £	2018 £
Cash inflows from new borrowing	-	87,827
Repayments of borrowing	<b>(27,457)</b>	(21,969)
<b>Net cash (used in)/provided by financing activities</b>	<b>(27,457)</b>	65,858

**25. Cash flows from investing activities**

	2019 £	2018 £
Interest receivable	<b>26,330</b>	9,781
Purchase of tangible fixed assets	<b>(1,240,030)</b>	(20,028,316)
Capital grants from DfE Group	<b>941,397</b>	19,934,841
<b>Net cash used in investing activities</b>	<b>(272,303)</b>	(83,694)

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**26. Analysis of cash and cash equivalents**

	<b>2019</b>	<i>2018</i>
	£	£
Cash in hand	<b>3,568,790</b>	4,512,009
Cash investments	<b>2,500,000</b>	1,000,000
<b>Total cash and cash equivalents</b>	<b>6,068,790</b>	<i>5,512,009</i>

**27. Capital commitments**

	<b>2019</b>	<i>2018</i>
	£	£
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	<b>94,608</b>	<i>14,482</i>

**28. Pension commitments**

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

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

Contributions amounting to £339,603 were payable to the schemes at 31 August 2019 (*2018 - £310,612*) and are included within creditors.

**Teachers' Pension Scheme**

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

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

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**28. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,582,103 (2018 - £1,516,586).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,419,000 (2018 - £1,348,000), of which employer's contributions totalled £1,126,000 (2018 - £1,085,000) and employees' contributions totalled £293,000 (2018 - £263,000). The agreed contribution rates for future years are 24.4 - 25.4 per cent for employers and 5 - 12.5 per cent for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**28. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2019</b>	<i>2018</i>
	%	%
Rate of increase in salaries	<b>3.3</b>	3.3
Rate of increase for pensions in payment/inflation	<b>2.3</b>	2.3
Discount rate for scheme liabilities	<b>1.9</b>	2.8
Inflation assumption (CPI)	<b>2.3</b>	2.3
Commutation of pensions to lump sums	<b>50</b>	50

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

	<b>2019</b>	<i>2018</i>
	Years	Years
<i>Retiring today</i>		
Males	<b>21.2</b>	22.1
Females	<b>23.4</b>	24.3
<i>Retiring in 20 years</i>		
Males	<b>22.2</b>	23.8
Females	<b>24.7</b>	26.2

**Sensitivity analysis**

	<b>2019</b>	<i>2018</i>
	£000	£000
Discount rate -0.5%	<b>3,094</b>	2,178
Salary increase rate +0.5%	<b>538</b>	452
Pension increase rate +0.5%	<b>2,484</b>	1,690

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

	<b>At 31</b>	<i>At 31 August</i>
	<b>August 2019</b>	<i>2018</i>
	£	£
Equities	<b>6,775,000</b>	5,992,000
Bonds	<b>3,621,000</b>	2,609,000
Property	<b>935,000</b>	870,000
Cash and other liquid assets	<b>350,000</b>	193,000
<b>Total market value of assets</b>	<b>11,681,000</b>	9,664,000

The actual return on scheme assets was £669,000 (2018 - £406,000).

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**28. Pension commitments (continued)**

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

	2019 £	2018 £
Current service cost	(1,761,000)	(1,823,000)
Past service cost	(330,000)	(121,000)
Interest income	289,000	215,000
Interest cost	(485,000)	(415,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(2,287,000)</b>	<b>(2,144,000)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>16,347,000</b>	<b>13,185,000</b>
Transferred in on existing academies joining the trust	-	2,345,000
Current service cost	1,761,000	1,823,000
Interest cost	485,000	415,000
Employee contributions	293,000	263,000
Actuarial losses/(gains)	3,562,000	(1,752,000)
Benefits paid	(71,000)	(53,000)
Past service costs	330,000	121,000
<b>At 31 August</b>	<b>22,707,000</b>	<b>16,347,000</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>9,664,000</b>	<b>6,825,000</b>
Transferred in on existing academies joining the trust	-	1,138,000
Interest income	289,000	215,000
Actuarial gains	380,000	191,000
Employer contributions	1,126,000	1,085,000
Employee contributions	293,000	263,000
Benefits paid	(71,000)	(53,000)
<b>At 31 August</b>	<b>11,681,000</b>	<b>9,664,000</b>

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**29. Operating lease commitments**

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

	2019 £	2018 £
Not later than 1 year	34,886	31,703
Later than 1 year and not later than 5 years	35,221	37,779
	<u>70,107</u>	<u>69,482</u>

**30. 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.

**31. Related party transactions**

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

**Expenditure related party transactions**

Adam Glover, son of Anthony Glover, Chair of Trustees of the Academy Trust, is employed by the Academy Trust as a Deputy Head. Adam Glover's appointment was made in open competition and Anthony Glover was not involved in the decision making process regarding appointment. Adam Glover is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a Trustee.

Claire Bishop, daughter of Victoria Bishop, a Trustee during the year, is employed by the Academy Trust as a teacher. Claire Bishop's appointment was made in open competition and Victoria Bishop was not involved in the decision making process regarding appointment. Claire Bishop is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

No other related party transactions took place in either the current or prior year, other than certain Trustees' remuneration and expenses disclosed in note 12.

**32. Post balance sheet events**

On 1 September 2019, the Academy Trust acquired Abbey Mead Primary Academy and Kestrel Mead Primary Academy, with all the operations and assets and liabilities transferring from Leicester City Council for £NIL consideration.

Also on the 1 September 2019, six of the eight schools in TMET changed their names to include 'Mead'. (Rushey Mead and Castle Mead Academies already had Mead in their names.) This was done to explicitly reflect all the schools' link with the Mead family of schools.

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**33. Comparatives**

During the current year the financial statements include 8 schools, the Leicester teaching school and the Leicestershire Secondary School-Centred Initial Teacher Training (SCITT). The 8 schools include Castle Mead Academy which joined the Academy Trust in late August 2019. The prior year figures included 7 schools, the Leicester teaching school and the SCITT. These 8 schools, together with central services are disclosed within the statement of funds note.

**34. Teaching school & SCITT trading account**

	2019 £	2019 £	2018 £	2018 £
<b>Income</b>				
Government grants	1,280,100		1,114,380	
<b>Other income</b>				
Other incoming resources	792,862		541,830	
<b>Total income</b>		<b>2,072,962</b>		<b>1,656,210</b>
<b>Expenditure</b>				
Direct staff costs	393,895		309,726	
Bursaries	814,483		569,700	
Delivery costs	827,227		778,516	
<b>Total direct expenditure</b>	<b>2,035,605</b>		<b>1,657,942</b>	
<b>Other expenditure</b>				
Other staff costs	25,957		20,626	
Other support costs	21,568		18,649	
<b>Total other expenditure</b>	<b>47,525</b>		<b>39,275</b>	
<b>Total expenditure</b>		<b>2,083,130</b>		<b>1,697,217</b>
<b>Deficit from all sources</b>		<b>(10,168)</b>		<b>(41,007)</b>
<b>Teaching school &amp; SCITT balances at 1 September 2018</b>		<b>124,761</b>		<b>165,768</b>
<b>Teaching school &amp; SCITT balances at 31 August 2019</b>		<b>114,593</b>		<b>124,761</b>