

Registered number: 07700909

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**EASTWOOD PARK ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**EASTWOOD PARK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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## EASTWOOD PARK ACADEMY TRUST

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

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#### Members

Mr L Whittick  
Mrs J Barber (appointed 5 December 2018)  
Mr D Allen  
Mr D Hagan  
Mrs S Mirza

#### Trustees

Mr L Whittick, Chair  
Mrs K Heath, Chair of Finance & Audit Committee  
Mr N Houchen, CEO and Accounting Officer  
Mrs A H Fethi, Vice Chair of Trustees and Finance & Audit Committee  
Ms A J Chrabaszcz (resigned 5 December 2018)  
Rev J T McCluskey (resigned 30 March 2018)  
Mr D Allen (appointed 5 December 2018)

#### Company registered number

07700909

#### Company name

Eastwood Park Academy Trust

#### Principal and registered office

The Eastwood Academy  
Rayleigh Road  
Leigh on Sea  
Southend on Sea  
Essex  
SS9 5UU

#### Company secretary

Mrs K E Toms

#### Chief executive officer

Mr N Houchen

#### Senior management team

Mr N Houchen, CEO and Principal of The Eastwood Academy  
Mrs A Hutchinson, Principal of Bournemouth Park Academy until 30 April 2018  
Mr W Brogan, Acting Principal of Bournemouth Park Academy from 1 May 2018  
Mrs Y Willis, Finance Officer

#### Independent auditors

Landau Baker Limited  
Chartered Accountants  
Statutory Auditors  
Mountcliff House  
154 Brent Street  
London  
NW4 2DR

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

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**Advisers (continued)**

**Bankers**

HSBC Bank plc  
1-13 Broadway  
London Road  
Southend on Sea  
Essex  
SS1 1TJ

Lloyds Bank plc  
77 High Street  
Southend-on-Sea  
Essex  
SS1 1HT

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**EASTWOOD PARK ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees present their annual report together with the financial statements and auditor's report of Eastwood Park Academy Trust for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates one primary and one secondary academy in the Southend-on-Sea catchment area. Its academies have a combined pupil capacity of 1,545 (BPA550/TEA995) and had a roll of 1,574 in the Summer Term school census on 17 May 2018.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **a. Constitution**

The trust is a company limited by guarantee and an exempt charity. It was incorporated on 11 July 2011 and in terms of a Funding Agreement entered into with the Secretary of State for Education, became a trust on 17 August 2011. The trust's memorandum and articles of association are the primary governing documents of the trust. The trustees are also the directors of the charitable company for the purposes of company law. The charitable company was formerly known as The Eastwood Academy Trust and changed its name in November 2016 to Eastwood Park Academy Trust.

The principal activity of the trust is to advance, for the public benefit, education in Southend-on-Sea, Essex, and the surrounding area by maintaining and operating The Eastwood Academy in Leigh-on-Sea and Bournemouth Park Academy in Southend-on-Sea.

Details of trustees who served during the period are shown in the Reference and Administrative Details on Page 1.

### **b. Members' Liability**

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

### **c. Method of Recruitment and Appointment or Election of Trustees**

The Members are appointed under Article 12 of Academy's Articles of Association, which state:

The Members of the Academy Trust shall comprise

- a. the signatories to the Memorandum until they resign or otherwise cease to be members; and
- b. any person appointed under Article 15A;

New trustees are appointed by the members under article 50 which states:

The Members may appoint by special resolution up to 7 Trustees.

### **d. Policies and Procedures Adopted for the Induction and Training of Trustees**

During the period under review, the Trustees held three meetings. In addition there were five meetings of the Finance and Audit Committee. The training and induction provided for new Trustees utilises both classroom based courses provided by Southend Governor Services and internal induction. Where necessary induction and training covers charity, educational, legal and financial matters.

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## **EASTWOOD PARK ACADEMY TRUST**

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

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All new Trustees are offered tours of both Academies and the chance to meet with staff and pupils as well as ongoing support and advice from the Company Secretary. All Trustees are provided with copies of the relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

#### **e. Organisational Structure**

Eastwood Park Academy Trust has established a management structure to enable its efficient running. The structure consists of two levels: the Trustees and the executives who are the senior leadership team.

The board of Trustees has considered its role thoughtfully and decided that the role of the Trustees is to approve the strategic direction and objectives of the trust and monitor its progress towards these objectives. Trustees are responsible for setting general policies, adopting an annual plan and budget for its academies, monitoring each academy by use of budgets and making major decisions about the direction of the trust, including capital expenditure and senior staff appointments.

The board of Trustees has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The academy principles are directly responsible for the day to day running of their academy and are assisted by their Senior Leadership Teams.

The trust has appointed a Responsible Officer (RO) who provides oversight of the operation of financial management arrangements. The RO undertakes checks to help ensure that the financial responsibilities of the board of Trustees are properly discharged.

#### **f. Arrangements for setting pay and remuneration of key management personnel**

The trust operates a robust Pay Policy which sets out the framework for making decisions on staff pay. It has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD). The objective of the policy is to:

- ensure that pay and staffing arrangements enable the current and future delivery of the curriculum and trust improvement plans;
- support the recruitment and retention of high quality staff;
- recognise and reward staff for their contribution to trust improvement;
- ensure that pay decisions are made in a fair and transparent way; and
- ensure that budgetary funds are allocated appropriately.

Remuneration awards in the year are subject to the key management personnel demonstrating a sustained high quality of performance, as indicated by the extent to which objectives delineated in his/her annual Performance Management appraisal have been met. A discretionary time-limited pay award for key personnel who have reached the top of their relevant pay range may be awarded.

The Trust has delegated responsibility to the CEO in terms of producing a Pay Review Statement. The Trust Finance Officer will work with the CEO to produce the annual Pay Review Statement.

#### **g. Connected Organisations, including Related Party Relationships**

The composition of the board of trustees is drawn from local public and private sector organisations. It is therefore inevitable that transactions may take place with organisations in which a member of the board of Trustees may have an interest. All such transactions would be conducted at arm's length.

#### **h. Risk Management**

The trustees have assessed the major risks to which the academies are exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academies, and its finances. The

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## EASTWOOD PARK ACADEMY TRUST

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

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trustees have implemented a number of systems to assess risks that the academies face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Risks are scored and prioritised in terms of their potential operational or financial impact and assessed in terms of the likelihood of occurrence. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The trust has an effective system of internal financial controls.

#### i. Trustees' Indemnities

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

#### j. Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	5

Percentage of time spent on facility time

Percentage of time	
0%	3
1 - 50%	2

Percentage of paybill spent on facility time

Total cost of facility time	£1,046
Total paybill	£6,472,000
% of the total paybill spent on facility time, calculated as: (total cost of facility time/total paybill x 100)	0.016%

Time spent on paid trade union activities as a % of total paid facility time

Total hours spent on TU activities	39.00
Total paid facility time	£1,046
% of total	100%

## OBJECTIVES AND ACTIVITIES

### a. Objects and Aims

The principal object and activity of the trust is the operation of The Eastwood Academy and Bournemouth Park Academy, to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

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

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**b. Objectives, Strategies and Activities**

In accordance with the articles of association, the trust has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to each academy, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the trust during the year ended 31 August 2018 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the academies by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the trust's business in accordance with the highest standards of integrity, probity and openness.

The trust's vision is to create:

- a strong ethos of achievement leading to improved standards
- personal confidence
- appropriate thinking skills

This is achieved through developing:

- a sense of personal identity
- a sense of belonging to an individual academy
- an emphasis on personal and community responsibility
- a positive learning climate in terms of the nature of courses offered and teaching styles utilised
- positive relationships with external partners

**c. Public Benefit**

In setting the objectives, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

**STRATEGIC REPORT**

**Achievements and Performance**

**a. Going Concern**

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

**b. Key Performance Indicators**

**Eastwood Park Academy Trust (EPAT)**

The Performance Review can be viewed online at: [http://www.epat.education/docs/epat\\_performance\\_review\\_2018.pdf](http://www.epat.education/docs/epat_performance_review_2018.pdf).



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## **EASTWOOD PARK ACADEMY TRUST**

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

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Key financial performance indicators include the number of pupils on roll since this forms the basis of the ESFA's funding. In accordance with the changes to the Academy's Admissions Policy, The Eastwood Academy will accept 220 pupils into Year 7 as opposed to 200 in previous years.

The other main financial performance indicator is staffing costs as a percentage of revenue income. For 2017/18 this was 76% (2016/17 – 76%). This demonstrates that the academy has managed the cost of living rise and performance related increments at a time when income from the ESFA is reducing.

#### **FINANCIAL REVIEW**

##### **a. Financial and Risk Management Objectives and Policy**

The trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. Risks are reviewed regularly and the trust's system of internal controls ensures risk is minimal in these areas.

##### **b. Investment Policy**

The Memorandum of Association allows the trust to deposit or invest any funds not immediately required for the furtherance of its objects. At the current time the trust only holds cash reserves at the bank on interest bearing accounts.

##### **c. Reserves Policy**

The level of reserves held by the trust takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves.

The trustees consider that the appropriate level of free reserves held to be approximately £670,000.

The trust is building its' reserves to facilitate:

- the refurbishment of the existing Science Block at The Eastwood Academy, with costs estimated to be in the region of £0.5m. The timescale for this project is completion by Summer 2022.
- The refurbishment of the existing DT Block at The Eastwood Academy, with costs estimated to be in the region of £200, 000. The timescale for this project is completion by Summer 2022.

The surplus balance on the restricted and unrestricted funds (excluding pension and fixed asset reserves) at 31st August 2018 was £1,908,000 (2017: £1,853,742).

##### **d. Principal Funding**

Most of the trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

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

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## **EASTWOOD PARK ACADEMY TRUST**

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

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The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

#### **Plans for Future Periods**

##### **a. Future Developments**

The Strategic and Operational Review can be viewed online at: [http://www.epat.education/docs/epat\\_soo\\_18.pdf](http://www.epat.education/docs/epat_soo_18.pdf).

#### **Funds held as Custodian Trustee on behalf of others**

The trust held £210,755 as custodian on behalf of the Southend West School Sports Partnership. These funds are held in a separate bank account in the name of the Sports Partnership and are not included in these financial statements.

#### **Disclosure of Information to Auditors**

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- So far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information

This report, incorporating a Strategic report, was approved by order of the board of Trustees, as the company directors, on 5 December 2018 and signed on the board's behalf by:



**Mr Lee Whittick**  
**Chair**

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**EASTWOOD PARK ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The board of Trustees has delegated the day-to-day responsibility to the CEO, Mr Neil Houchen, 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 Eastwood Park Academy Trust and the Secretary of State for Education. He is also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr L Whittick, Chair	2	3
Mrs K Heath, Chair of Finance & Audit Committee	3	3
Mr N Houchen, CEO and Accounting Officer	3	3
Mrs A H Fethi, Vice Chair of Trustees and Vice Chair of Finance and Audit Committee	2	3
Ms A J Chrabaszcz	1	3
Rev J T McCluskey, resigned 30 March 2018	2	2
Mr D Allen	0	0

Recruitment to the Board of Trustees is carried out on a skills basis. It had been agreed that there should be seven members of the Board. The board is presently carrying two vacancies following the resignation of Michael Dedman on 23 February 2017 and James McCluskey on 30 March 2018. There are plans to fill one of these vacancies in December 2018. Other than this, the Board are content with their number and composition.

The key challenge for the Board this year has been managing the change in leadership at Bournemouth Park Academy and embedding the new working practices that were put in place when the school joined the Trust.

**Governance Review**

Governance within the trust was rated as 'Good' by OFSTED as part of an inspection of The Eastwood Academy in March 2018. Comments on governance included:

*Trustees and members of the local governing body are expert and experienced in understanding this performance information, enabling them to undertake insightful discussions with school leaders about standards on a regular basis.*

The Structure of Governance across the Trust was considered on a formal basis in September with a focus on avoiding duplication between LGB's and Trustees and on an informal basis between the Company Secretary, Chair of Trustees' and the CEO throughout the year, focusing on the structure of the meetings and ensuring that the workload is fairly distributed between Trustees.

The Finance & Audit Committee is a Committee of the Board of Trustees. Its purpose is to, through delegated authority, take financial decisions on behalf of the board of Trustees, to provide independent checking of the Trust's financial controls, systems transactions and risks, review of the reports from the Responsible Officer and

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**GOVERNANCE STATEMENT (continued)**

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the completion of a Statement of Internal Control for each constituent Academy. All Trustees sit on this Committee and the decisions are reported back to the board of trustees via the minutes. Issues dealt with in the year include the consideration and recommendation that the board of Trustees adopt the accounts for 2017/18 and the budgets for the 2018/19, 2019/20 and 2020/21 academic years as well as the awarding of contracts for building works on both schools.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr L Whittick	5	5
Mrs A H Fethi (Vice Chair of Trustees and Finance & Audit Committee)	3	5
Mrs K Heath (Chair)	4	5
Mr N Houchen (CEO and accounting officer)	5	5
Rev J T McCluskey (resigned 30 March 2018)	2	4
Mrs A J Chrabaszcz	0	5

#### **REVIEW OF VALUE FOR MONEY**

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

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

- Continually striving to improve the education outcomes of pupils at the Trust academies. The 2017/18 results can be viewed on the website – [http://www.epat.education/docs/epat\\_performance\\_review2018.pdf](http://www.epat.education/docs/epat_performance_review2018.pdf);
- Using an energy consultant for energy procurement. Prices are fixed for the next two to three years, thereby protecting the academies from the short term increases;
- Establishing The Eastwood Academy as a lead school ITT provider.
- Entering into contracts to outsource site management and catering at Bournemouth Park Academy, which should bring efficiencies of scale;
- Renegotiating The Eastwood Academy photocopier leases through a Framework resulting in a saving of 80+%.

#### **THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Eastwood Park Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

#### **CAPACITY TO HANDLE RISK**

The board of Trustees has reviewed the key risks to which the 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 Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

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**EASTWOOD PARK ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed:

- a trustee (appointed termly) to perform spot checks;
- Landau Baker Limited, the external auditor, to perform additional checks.

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

- testing of purchase system from purchase order to payment of invoice;
- review of the payroll system to ensure that employees are correctly remunerated and payments are only made to current employees;
- review of Aged Debtor and Creditor reports; and
- review of Control Accounts for VAT, bank accounts, credit cards, payroll, debtors and creditors.

On a termly basis, the appointees reports to the board of Trustees on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The RO function has been fully delivered in line with the EFA's requirements as noted in the Academies Financial Handbook (September 2017). The RO has not identified any material issues.

**REVIEW OF EFFECTIVENESS**

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

- the work of the reviewer;
- the work of the external auditor;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on 5 December 2018 and signed on their behalf, by:

  
**Mr Lee Whittick**  
**Chair of Trustees**

  
**Mr Neil Houchen**  
**Accounting Officer**

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## **EASTWOOD PARK ACADEMY TRUST**

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### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**Mr Neil Houchen**  
**Accounting Officer**

Date: 5 December 2018

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## **EASTWOOD PARK ACADEMY TRUST**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

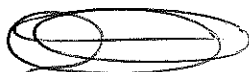
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the board of Trustees on 5 December 2018 and signed on its behalf by:

**Mr Lee Whittick**  
**Chair**



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**EASTWOOD PARK ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EASTWOOD PARK ACADEMY TRUST**

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## **OPINION**

We have audited the financial statements of Eastwood Park Academy Trust (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

## **BASIS FOR OPINION**

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

## **CONCLUSIONS RELATING TO GOING CONCERN**

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

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

## **OTHER INFORMATION**

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

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



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**EASTWOOD PARK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EASTWOOD PARK ACADEMY TRUST**

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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

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**EASTWOOD PARK ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EASTWOOD PARK ACADEMY TRUST**

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**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.

 for Landau Baker Limited

Michael Durst (Senior Statutory Auditor)

for and on behalf of

**Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR  
5 December 2018

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## **EASTWOOD PARK ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EASTWOOD PARK ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 31 October 2011 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Eastwood Park Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **RESPECTIVE RESPONSIBILITIES OF EASTWOOD PARK ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Eastwood Park Academy Trust's funding agreement with the Secretary of State for Education dated 17 August 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **APPROACH**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.

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**EASTWOOD PARK ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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

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- adherence to tendering policies.

**CONCLUSION**

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

*Landau Baker Limited*

Reporting Accountant

**Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

5 December 2018

**EASTWOOD PARK ACADEMY TRUST**

(A Company Limited by Guarantee)

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

	Note	Unrestrict'd funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>INCOME FROM:</b>						
Donations and capital grants	2	11	16	642	669	6,721
Charitable activities	3	-	7,979	-	7,979	6,549
Other trading activities	4	120	96	-	216	167
Investments	5	-	5	-	5	6
<b>TOTAL INCOME</b>		<b>131</b>	<b>8,096</b>	<b>642</b>	<b>8,869</b>	<b>13,443</b>
<b>EXPENDITURE ON:</b>						
Raising funds		129	35	-	164	151
Charitable activities		7	8,114	871	8,992	7,354
<b>TOTAL EXPENDITURE</b>	8	<b>136</b>	<b>8,149</b>	<b>871</b>	<b>9,156</b>	<b>7,505</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	22	(5)	(53)	(229)	(287)	5,938
		-	(145)	145	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(5)	(198)	(84)	(287)	5,938
Actuarial gains on defined benefit pension schemes	27	-	624	-	624	67
<b>NET MOVEMENT IN FUNDS</b>		<b>(5)</b>	<b>426</b>	<b>(84)</b>	<b>337</b>	<b>6,005</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		29	(394)	20,289	19,924	13,919
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>24</b>	<b>32</b>	<b>20,205</b>	<b>20,261</b>	<b>19,924</b>

The notes on pages 23 to 46 form part of these financial statements.

**EASTWOOD PARK ACADEMY TRUST**

(A Company Limited by Guarantee)  
REGISTERED NUMBER: 07700909

**BALANCE SHEET  
AS AT 31 AUGUST 2018**

	Note	£000	2018 £000	£000	2017 £000
<b>FIXED ASSETS</b>					
Tangible assets	17		20,205		20,282
<b>CURRENT ASSETS</b>					
Stocks	18	5		5	
Debtors	19	512		162	
Cash at bank and in hand		2,224		2,249	
		<u>2,741</u>		<u>2,416</u>	
<b>CREDITORS: amounts falling due within one year</b>	20	(828)		(537)	
<b>NET CURRENT ASSETS</b>			1,913		1,879
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			22,118		22,161
<b>CREDITORS: amounts falling due after more than one year</b>	21		(6)		(19)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			22,112		22,142
Defined benefit pension scheme liability	27		(1,851)		(2,218)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			20,261		19,924
<b>FUNDS OF THE ACADEMY</b>					
Restricted fixed asset funds:					
Restricted income funds	22	1,883		1,824	
Restricted fixed asset funds	22	20,205		20,289	
Restricted income funds excluding pension liability		22,088		22,113	
Pension reserve		(1,851)		(2,218)	
Total restricted fixed asset funds			20,237		19,895
Unrestricted income funds	22		24		29
<b>TOTAL FUNDS</b>			20,261		19,924

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**EASTWOOD PARK ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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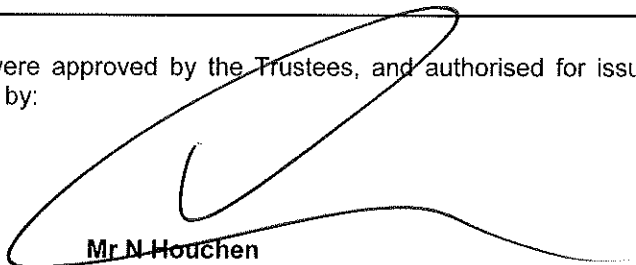
**BALANCE SHEET (continued)  
AS AT 31 AUGUST 2018**

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The financial statements on pages 19 to 46 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:



**Mr Lee Whittick  
Chair**



**Mr N Houchen  
Principal**

The notes on pages 23 to 46 form part of these financial statements.

**EASTWOOD PARK ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	24	135	349
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		5	6
Purchase of tangible fixed assets		(794)	(46)
Capital grants from DfE Group		379	28
Capital funding received from sponsors and others		263	-
<b>Net cash used in investing activities</b>		(147)	(12)
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(13)	(13)
<b>Net cash used in financing activities</b>		(13)	(13)
<b>Change in cash and cash equivalents in the year</b>		(25)	324
Cash and cash equivalents brought forward		2,249	1,925
<b>Cash and cash equivalents carried forward</b>	25	2,224	2,249



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## **EASTWOOD PARK ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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

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#### **1. ACCOUNTING POLICIES**

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

##### **1.1 Basis of preparation of financial statements**

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

Eastwood Park Academy Trust constitutes a public benefit entity as defined by FRS 102.

##### **1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

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## **EASTWOOD PARK ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.3 Income**

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

##### **1.4 Expenditure**

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

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

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

All expenditure is inclusive of irrecoverable VAT.

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## EASTWOOD PARK ACADEMY TRUST

(A Company Limited by Guarantee)

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

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.5 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	25 to 80 years
Leasehold property	-	125 years
Furniture and fixtures	-	5 years
Computer equipment	-	3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

##### 1.6 Operating leases

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

##### 1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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## EASTWOOD PARK ACADEMY TRUST

(A Company Limited by Guarantee)

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

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 Debtors

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

##### 1.9 Cash at Bank and in hand

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

##### 1.10 Liabilities and provisions

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

##### 1.11 Financial instruments

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

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

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

##### 1.12 Taxation

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

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## **EASTWOOD PARK ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.13 Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

##### **1.14 Fund accounting**

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

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

**EASTWOOD PARK ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**1. ACCOUNTING POLICIES (continued)**

**1.15 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 August 2018 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestrict'd funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donations	11	16	-	27	15
Capital Grants	-	-	642	642	29
Assets gifted on conversion to academy status	-	-	-	-	6,677
	<u>11</u>	<u>16</u>	<u>642</u>	<u>669</u>	<u>6,721</u>
<i>Total 2017</i>	<u>17</u>	<u>(972)</u>	<u>7,676</u>	<u>6,721</u>	

# EASTWOOD PARK ACADEMY TRUST

(A Company Limited by Guarantee)

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

### 3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestrict'd funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Educational activities	-	7,850	7,850	6,443
Other educational operations	-	129	129	106
	-	7,979	7,979	6,549
<i>Total 2017</i>	-	6,549	6,549	

### FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

#### Eastwood Park Academy Trust

	Unrestrict'd funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>DfE/ESFA grants</b>				
School budget share	-	6,814	6,814	5,746
Other ESFA grants	-	685	685	408
	-	7,499	7,499	6,154
<b>Other government grants</b>				
Other LA grants	-	351	351	289
	-	351	351	289
	-	7,850	7,850	6,443
<i>Total 2017</i>	-	6,443	6,443	

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EASTWOOD PARK ACADEMY TRUST

(A Company Limited by Guarantee)

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

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4. OTHER TRADING ACTIVITIES

	Unrestrict'd funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Lettings income	-	51	51	52
Educational visits income	120	-	120	92
Catering income	-	45	45	23
	<u>120</u>	<u>96</u>	<u>216</u>	<u>167</u>
<i>Total 2017</i>	<u>92</u>	<u>75</u>	<u>167</u>	

5. INVESTMENT INCOME

	Unrestrict'd funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Investment income	-	5	5	6
	<u>-</u>	<u>5</u>	<u>5</u>	<u>6</u>
<i>Total 2017</i>	<u>-</u>	<u>6</u>	<u>6</u>	



# EASTWOOD PARK ACADEMY TRUST

(A Company Limited by Guarantee)

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

### 6. DIRECT COSTS

	Fundraising expenses £000	Educational operations £000	Total 2018 £000	Total 2017 £000
Utilities and site management	33	-	33	33
Exam fees	-	57	57	55
Broadband and telephone costs	-	17	17	24
Staff training & development	-	59	59	23
Licences	-	17	17	35
Other educational costs	-	402	402	290
Transport costs	-	13	13	8
Other direct costs	2	16	18	22
Agency supply staff	-	38	38	25
Settlement agreements	-	5	5	7
Wages and salaries	-	4,483	4,483	3,571
National insurance	-	410	410	346
Pension cost	-	716	716	540
Depreciation	-	23	23	23
	<b>35</b>	<b>6,256</b>	<b>6,291</b>	<b>5,002</b>
<i>Total 2017</i>	<i>35</i>	<i>5,012</i>	<i>5,047</i>	

### 7. SUPPORT COSTS

	Educational operations £000	Total 2018 £000	Total 2017 £000
Pension finance cost	52	52	40
Utilities	159	159	142
Site management	419	419	290
Insurance	30	30	25
Catering provision	158	158	74
Staff training & development	2	2	-
Repairs & maintenance	138	138	137
Other support costs	43	43	32
Governance costs	69	69	85
Settlement agreements	9	9	-
Wages and salaries	466	466	448
National insurance	44	44	39
Pension cost	299	299	235
Depreciation	848	848	841
	<b>2,736</b>	<b>2,736</b>	<b>2,388</b>
<i>Total 2017</i>	<i>2,342</i>	<i>2,342</i>	

# EASTWOOD PARK ACADEMY TRUST

(A Company Limited by Guarantee)

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

### 8. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Expenditure on raising voluntary income					
Direct costs	-	-	129	129	116
Support costs	-	-	-	-	-
Expenditure on fundraising trading					
Direct costs	-	-	-	-	-
Support costs	-	-	35	35	35
Educational operations:					
Direct costs	5,652	-	604	6,256	5,012
Support costs	820	1,565	351	2,736	2,342
	<u>6,472</u>	<u>1,565</u>	<u>1,119</u>	<u>9,156</u>	<u>7,505</u>
Total 2017	<u>5,212</u>	<u>1,294</u>	<u>999</u>	<u>7,505</u>	

### 9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total 2018 £000	Total 2017 £000
Educational operations	6,256	2,736	8,992	7,354
Total 2017	<u>5,012</u>	<u>2,342</u>	<u>7,354</u>	

### 10. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total £000	Individual items above £5,000 Amount £000	Reason
Compensation payments	13,921	8,921	Termination payment
		5,000	Termination payment

**EASTWOOD PARK ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**11. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	871	863
Operating lease rentals	23	20
Auditors' remuneration - audit	11	10
Auditors' remuneration - other services	3	2
	<u>          </u>	<u>          </u>

**12. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	4,949	4,019
Social security costs	455	385
Operating costs of defined benefit pension schemes	1,016	776
	<u>6,420</u>	<u>5,180</u>
Agency staff costs	38	25
Staff restructuring costs	14	7
	<u>6,472</u>	<u>5,212</u>

Staff restructuring costs comprise:

	2018 £000	2017 £000
Termination payments	14	7
	<u>          </u>	<u>          </u>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	91	97
Administration and support	77	93
Management	13	12
	<u>181</u>	<u>202</u>

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**EASTWOOD PARK ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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

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**12. STAFF COSTS (continued)**

Average headcount expressed as a full time equivalent:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>87</b>	<b>82</b>
Administration and support	<b>67</b>	<b>50</b>
Management	<b>13</b>	<b>12</b>
	<b>167</b>	<b>144</b>

**c. Higher paid staff**

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>4</b>	<b>3</b>
In the band £70,001 - £80,000	<b>2</b>	<b>2</b>
In the band £100,001 - £110,000	<b>2</b>	<b>1</b>

All the above employees participated in the Teachers' Pension Scheme. Employer contributions paid by the Academy for these employees amounted to £95,604 in the period (2017: £71,158).

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £900,668 (2017: £779,800).

**EASTWOOD PARK ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**13. CENTRAL SERVICES**

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

- Finance and administration services
- Education support services
- Governance support

The Academy charges for these services on the following basis:

The central services charge has been levied on each academy at 3% of GAG income.

The actual amounts charged during the year were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
The Eastwood Academy	<b>135</b>	<b>77</b>
Bournemouth Park Academy	<b>69</b>	<b>39</b>
	<b>204</b>	<b>116</b>
<b>Total</b>	<b>204</b>	<b>116</b>

**14. TRUSTEES' REMUNERATION AND EXPENSES**

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

		<b>2018</b>	<b>2017</b>
		<b>£000</b>	<b>£000</b>
Mr N Houchen, Principal	Remuneration	<b>105-110</b>	<b>105-110</b>
	Pension contributions paid	<b>15-20</b>	<b>15-20</b>
Mr C Niner	Remuneration		<b>30-35</b>
	Pension contributions paid		<b>0-5</b>
Mr L Abbott	Remuneration		<b>10-15</b>
	Pension contributions paid		<b>0-5</b>

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £608 to 3 Trustees).

**15. TRUSTEES' AND OFFICERS' INSURANCE**

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

**EASTWOOD PARK ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**16. PENSION FINANCE COST**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Interest income on pension scheme assets	37	24
Interest on pension scheme liabilities	(89)	(64)
	<u>(52)</u>	<u>(40)</u>

**17. TANGIBLE FIXED ASSETS**

	Freehold property £000	Leasehold property £000	Furniture and fixtures £000	Plant and equipment £000	Assets under construction £000	Total £000
<b>Cost</b>						
At 1 September 2017	16,794	7,548	771	209	-	25,322
Additions	172	-	68	22	532	794
At 31 August 2018	<u>16,966</u>	<u>7,548</u>	<u>839</u>	<u>231</u>	<u>532</u>	<u>26,116</u>
<b>Depreciation</b>						
At 1 September 2017	4,295	35	566	144	-	5,040
Charge for the year	655	60	117	39	-	871
At 31 August 2018	<u>4,950</u>	<u>95</u>	<u>683</u>	<u>183</u>	<u>-</u>	<u>5,911</u>
<b>Net book value</b>						
At 31 August 2018	<u>12,016</u>	<u>7,453</u>	<u>156</u>	<u>48</u>	<u>532</u>	<u>20,205</u>
At 31 August 2017	<u>12,499</u>	<u>7,513</u>	<u>205</u>	<u>65</u>	<u>-</u>	<u>20,282</u>

Included in freehold property is land at valuation of £4,903,000 (2016 - £4,903,000) which is not depreciated. The property valuation was carried out on 17 August 2011 on conversion of The Eastwood School to academy status.

The leasehold gifted to the academy trust by Southend Borough Council on conversion of Bournemouth Park Primary School to academy status has been included at valuation carried out on the date of conversion (1 February 2017).

**18. STOCKS**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Uniform stock	<u>5</u>	<u>5</u>

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**EASTWOOD PARK ACADEMY TRUST**

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

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**19. DEBTORS**

	2018 £000	2017 £000
Trade debtors	210	76
Other debtors	235	16
Prepayments and accrued income	67	70
	<u>512</u>	<u>162</u>

**20. CREDITORS: Amounts falling due within one year**

	2018 £000	2017 £000
Loans	63	13
Trade creditors	320	95
Other taxation and social security	220	220
Accruals and deferred income	225	209
	<u>828</u>	<u>537</u>

The loans are unsecured and interest free and include £12,724 granted by Salix Finance Limited. A further Condition Improvement Fund loan of £50,000 is scheduled to be repaid within 12 months.

	2018 £000	2017 £000
<b>Deferred income</b>		
Deferred income at 1 September 2017	101	48
Resources deferred during the year	93	101
Amounts released from previous years	(101)	(48)
Deferred income at 31 August 2018	<u>93</u>	<u>101</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips and grants receivable.

**21. CREDITORS: Amounts falling due after more than one year**

	2018 £000	2017 £000
Other loans	<u>6</u>	<u>19</u>

Included within the above are amounts falling due as follows:

	2018 £000	2017 £000
<b>Between two and five years</b>		
Other loans	<u>6</u>	<u>19</u>

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**EASTWOOD PARK ACADEMY TRUST****(A Company Limited by Guarantee)**

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

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**21. CREDITORS: Amounts falling due after more than one year (continued)**

The loan has been granted by Salix Finance Limited and is unsecured and interest free.

**22. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
General Funds - all funds	29	131	(136)	-	-	24
<b>Restricted funds</b>						
Restricted Funds - all funds	1,824	8,096	(7,892)	(145)	-	1,883
Pension reserve	(2,218)	-	(257)	-	624	(1,851)
	(394)	8,096	(8,149)	(145)	624	32
<b>Restricted funds - Fixed asset fund</b>						
Restricted Fixed Asset Funds - all funds	20,289	642	(871)	145	-	20,205
Total restricted funds	19,895	8,738	(9,020)	-	624	20,237
Total of funds	19,924	8,869	(9,156)	-	624	20,261

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

All funds originated from assets gifted by the predecessor school. In addition:

Restricted fixed asset funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted general funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the Trust.

The restricted funds can only be used in terms of limitations imposed the the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds consist of the school fund balances transferred into the Trust on conversion and income and expenditure in the school fund from that date until the year end.

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



# EASTWOOD PARK ACADEMY TRUST

(A Company Limited by Guarantee)

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

### 22. STATEMENT OF FUNDS (continued)

#### ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
The Eastwood Academy	1,844	1,693
Bournemouth Park Academy	39	144
Held Centrally	24	16
Total before fixed asset fund and pension reserve	1,907	1,853
Restricted fixed asset fund	20,205	20,289
Pension reserve	(1,851)	(2,218)
Total	20,261	19,924

#### ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2018 £000	Total 2017 £000
The Eastwood Academy	3,298	433	402	796	4,929	4,786
Bournemouth Park Academy	2,321	309	241	489	3,360	1,757
Paid centrally	33	78	19	67	197	100
Consolidation adjustment	-	-	-	(203)	(203)	-
	5,652	820	662	1,149	8,283	6,643

#### STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
<b>General funds</b>						
General Funds - all funds	15	108	(94)	-	-	29

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

**22. STATEMENT OF FUNDS (continued)**

**Restricted funds**

Restricted Funds - all funds	1,496	6,719	(6,366)	(25)	-	1,824
Pension reserve	(1,043)	(1,060)	(182)	-	67	(2,218)
<b>Restricted funds - Fixed asset fund</b>						
Restricted Fixed Asset Funds - all funds	13,451	7,676	(863)	25	-	20,289
<b>Total of funds</b>	<b>13,919</b>	<b>13,443</b>	<b>(7,505)</b>	<b>-</b>	<b>67</b>	<b>19,924</b>

**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
General Funds - all funds	15	239	(230)	-	-	24
<b>Restricted funds</b>						
Restricted Funds - all funds	1,496	14,815	(14,258)	(170)	-	1,883
Pension reserve	(1,043)	(1,060)	(439)	-	691	(1,851)
<b>Restricted funds - Fixed asset fund</b>						
Restricted Fixed Asset Funds - all funds	13,451	8,318	(1,734)	170	-	20,205
	13,904	22,073	(16,431)	-	691	20,237
<b>Total of funds</b>	<b>13,919</b>	<b>22,312</b>	<b>(16,661)</b>	<b>-</b>	<b>691</b>	<b>20,261</b>

# EASTWOOD PARK ACADEMY TRUST

(A Company Limited by Guarantee)

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

### 23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestrict'd funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	20,205	20,205
Current assets	24	2,717	-	2,741
Creditors due within one year	-	(828)	-	(828)
Creditors due in more than one year	-	(6)	-	(6)
Provisions for liabilities and charges	-	(1,851)	-	(1,851)
	<u>24</u>	<u>32</u>	<u>20,205</u>	<u>20,261</u>

### ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestrict'd funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	20,282	20,282
Current assets	29	2,380	7	2,416
Creditors due within one year	-	(537)	-	(537)
Creditors due in more than one year	-	(19)	-	(19)
Provisions for liabilities and charges	-	(2,218)	-	(2,218)
	<u>29</u>	<u>(394)</u>	<u>20,289</u>	<u>19,924</u>

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

	2018 £000	2017 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(287)	5,938
<b>Adjustment for:</b>		
Depreciation charges	871	863
Dividends, interest and rents from investments	(5)	(6)
Decrease in stocks	-	1
Increase in debtors	(350)	(88)
Increase in creditors	291	75
Capital grants from DfE and other capital income	(642)	(28)
Defined benefit pension scheme cost less contributions payable	205	148
Defined benefit pension scheme finance cost	52	34
Capital assets gifted on conversion to academy status	-	(6,588)
<b>Net cash provided by operating activities</b>	<u>135</u>	<u>349</u>

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**EASTWOOD PARK ACADEMY TRUST**

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

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**25. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	<b>2,224</b>	<b>2,249</b>
Total	<b>2,224</b>	<b>2,249</b>

**26. CAPITAL COMMITMENTS**

At 31 August 2018 the Academy had capital commitments as follows:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Contracted for but not provided in these financial statements	<b>907</b>	<b>-</b>

**27. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2018.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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## EASTWOOD PARK ACADEMY TRUST

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

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#### 27. PENSION COMMITMENTS (continued)

- 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 period amounted to £591,000 (2017 - £475,000).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £275,000 (2017 - £197,000), of which employer's contributions totalled £219,000 (2017 - £154,000) and employees' contributions totalled £56,000 (2017 - £43,000). The agreed contribution rates for future years are 24.15% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

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

**EASTWOOD PARK ACADEMY TRUST**

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

**27. PENSION COMMITMENTS (continued)**

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

	At 31 August 2018 £000	At 31 August 2017 £000
<b>Sensitivity analysis</b>		
Discount rate +0.1%	354	140
Discount rate -0.1%	372	147
Mortality assumption - 1 year increase	374	147
Mortality assumption - 1 year decrease	352	139
CPI rate +0.1%	363	146
CPI rate -0.1%	363	420

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	1,045	906
Gilts	88	86
Other bonds	96	55
Property	146	134
Cash and other liquid assets	56	43
Alternative assets	148	106
Other managed funds	63	59
<b>Total market value of assets</b>	<b>1,642</b>	<b>1,389</b>

The actual return on scheme assets was £71,000 (2017 - £119,000).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £000	2017 £000
Current service cost	(424)	(296)
Interest income	37	24
Interest cost	(89)	(64)
Employer contributions	219	154
Total	<u>(257)</u>	<u>(182)</u>
Actual return on scheme assets	<u>71</u>	<u>119</u>

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

	2018 £000	2017 £000
Opening defined benefit obligation	3,607	1,519
Upon conversion	-	1,678
Current service cost	424	296
Interest cost	89	64
Employee contributions	56	43
Actuarial (gains)/losses	(572)	52
Benefits paid	(34)	(31)
Effect of non-routine settlements	(77)	-
Other actuarial gains	-	(14)
Closing defined benefit obligation	<u>3,493</u>	<u>3,607</u>

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

	2018 £000	2017 £000
Opening fair value of scheme assets	1,389	476
Upon conversion	-	618
Interest income	37	24
Actuarial losses	52	119
Employer contributions	219	154
Employee contributions	56	43
Benefits paid	(34)	(31)
Effect of non-routine settlements	(77)	-
Other actuarial losses	-	(14)
Closing fair value of scheme assets	<u>1,642</u>	<u>1,389</u>

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## EASTWOOD PARK ACADEMY TRUST

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

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#### 28. OPERATING LEASE COMMITMENTS

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

	2018 £000	2017 £000
<b>Amounts payable:</b>		
Within 1 year	13	18
Between 1 and 5 years	17	10
<b>Total</b>	<b>30</b>	<b>28</b>

#### 29. 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.

#### 30. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Mr D Allen, a Member of the Trust from 1 February 2017, has declared the interest of his wife as an employee of The Eastwood Academy. During the period her remuneration from The Eastwood Academy amounted to £11,701 (2017: £11,617) and employer pension contributions amounted to £2,541 (2017: £1,837).

The above transactions were entered into at arm's length and the requirements of the ESFA's Academies Financial Handbook have been complied with.